Sectt. II-27—53,004—27-10-47.

Food (1949) Department.

MS. SERIES.

forwarded by Secretary.

G.O. NO. 678
678.

Dated 30.7.49

[Despatch Abstract.]

Procurement - Paddy and Rice - South Kanara district - Penalty levied for late deliveries - Utilisation of the amount collected during the years 1944-45, 1945-46 & 1946-47 - Proposals of the Board of Revenue (Civil Supplies) - Orders - Passed

(G.O. at pp 103-105 ci)

ASSISTANT SECRETARY
ಜನರಲ್ ಹೆಗ್ಡೆ,
ಅಡ್ವೊಕೇಟ್, ಮಂಗಳೂರು.
JINARAJA HEGDE, B.Sc., LL.B.,
ADVOCATE.
GOVT. DEPARTMENT

Tea, food
I am for donating the amount
for the proposed T.B. Sanatorium. Let th
be reported & the file put up

MANGALORE, 16th May

My dear Hon. Mr. Shetty,

Let me thank you on your very good speech delivered at Karpar
on the occasion of inaugurating the Kannada Sahitya Parishad. I
that place on the 8th and everyone was appreciating your part wh
told added strength to the Kannada movement. I was delayed by a d
account of illness of my third child which unfortunately died ever
I returned home.

ADDITIONAL ASSISTANT SECRETARY
22 MAY 1947
GOVT. DEPARTMENT

Your letters regarding the proposed utilisation of the penalty a
recieved. On account of my above difficulties and tour I could not a
to it. The Collector is on tour. Today I made enquiries at the Colle
The recommendation of the sub-committee has been accepted by the Dt.
ttee on 29-4-1947 while I was at Madra . This is the resolution they
have adopted. " The recommendation of the Sub-committee appointed to l
in to the question of the utilisation of the penalties levied on la
deliveries of rice and paddy in this Dt. was read out. The preside
that an interim reply has been recieved from the Board of Revenue
why these ~~xxxxxxxx~~ profits were not passed on to the consumers an
final order was pending. After discussion it was resolved that t
of the sub-committee be accepted tentatively pending the final or
the Govt. about the utilization."

30655 The collector I am informed, has recommended our proposal to
Rs 1,50,000 for a tuberculosis hospital in the district and that
amount should not be flitted awy by way of reduction of price
There seems to have been some order of the Board of Revenue ir
all savings and profits should go to reduce the consumers' pri
in this connection the Secretary to the Civil supply Commissi

to have asked for an explanation why it was not so utilised.

The amount of nearly Rs 2,50000. is in deposit all representing the penalty amount. If it was a profit earned as it is the case in some other places where the Govt. do the trading in grains we can understand the idea of giving the benifit of that profit to the consumers. In this case the benifit ought to have gone to the producers by way of bonus for early deliveries. The producers have not put forward any claim. The Dt. Committee in the interest of consumers and producers have recommended the utilization of the amount for a public institution which is of very urgent and benevolent nature. I do not see any point in the Board of Revenue raising the objection. The demand for a tuberculosis hospital in this district has been insistant and is of very urgent nature. From the enquiries I have made I understand there are more than 3000 patients in a year and majority of them do not get room in other places and mostly they can not afford.

I understand Mr. Masterman, the Civil supply Commissioner is leaving madras on Sunday and reaches this place on Monday. I would request you to kindly telephone to him and tell him that our proposal which will be placed before him when he is here by the Collector to utilise the Penalty amount for the tuberculosis hospital should be approved by him and so also other proposals like the supply of seeds and opening of a cattle breeding station. I will see him when he is here in this connection.

Regarding Rs 27000 of the Red cross Society it is in deposit in the Imperial Bank in the name of the Collector of the Dt. and the Society has approved the utilisation of the same for a x ray set to be set up in the local hospital. This set will serve the purpose of the Tuberculosis hospital or clinic.

I would like to meet you when you are here and discuss the matter further with regard to the

ASSISTANT SECRETARY
2 - JUL 1947
FOOD DEPARTMENT

BOARD OF REVENUE (CIVIL SUPPLIES)

S U B J E C T.

PROCUREMENT - Paddy and rice - South Kanara district - Penalty levied for late deliveries - Utilisation of the amount for the construction of a T.B.Hospital ~~etc.~~ and other public purposes - Collector's proposals - submitted with remarks.

-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-

Bd's.No.57674.UII/47-3
Dated 28th June, 1947.

From

C.H.Masterman, Esq., C.S.I.,C.I.E.,I.C.S.,
Commissioner of Civil Supplies.

Sri T.Prabhakara Rao Nauudu,
Joint Secretary to the Commissioner of Civil Supplies.

Read:-1)Fromthe Collector of South Kanara,
Rc.No.3138/47 dated 9.4.47.
2)Board's.Ref.No.57674.UII/47-1 dated 23.4.47.
3)Government, Endt.No.30055-A/47-1 Food dated 2.6.1947.
4)From the Collector of South Kanara,
Ref.No.3138-W7-47 dated 7.6.47.

Submitted to the Government.

2.The Collector of South Kanara in his letter first cited has reported that the short payments made for late deliveries of paddy and riee during the years 1945-46 and those in 1946-47, upto the end of February 1947 amounted to Rs.1,61,825-8-0 and that including the future collections ~~exported~~ upto the end of June 1947,the total savings might come to about Rs.2,50,000/- He has also stated that the District Food Committee at its meeting held on 26,2,47 had passed a resolution to the effect that the amounts realised as penalty for late deliveries ofpaddy or rice should be utilised for the benifit of the South Kanara District alone for the following purposes:-

(1) Rs.25,000/- for supply of improved variety of paddy seed to the agriculturists;

(2) Rs.75,000/- for ~~startinger~~ Starting a cattle breeding station in the District and

(3) Rs.1,50,000/- towards the opening of a Turberculosis Hospital in the District.

The Collector supports the resolution of the District Food Committee and recommends that necessary permission might be accorded to utilise the amount for the purposes specified above.

3. The Commissioner of Civil Supplies during his tour in the South Kanara district In May 1947 discussed the matter with the Collector. He was informed that it was not possible to adjust the savings in the issue prices as contemplated by the Board previously and that even if the adjustment is effected at the end of the season, the benifit that will be derived by the consumer will work out to a fraction of a pie per seer which is too small to think of. In the circumstances, the Commissioner of Civil Supplies considers that it is but reasonable that the/money collected by shortpayments, should be spent in the District on some object which will benefit as far as possible the population in the district. The Board therefore recommends the proposals of the Collector.

(P.T.O)

4. In this connection the Board submits that with reference to the orders in Government Memo No.28562-A-47-1,dated 27-5-47, it has instructed the Collectors of all districts to credit to Government accounts, the savings effected by shortpayments on account of late deliveries of foodgrains.

K R Srinivasan

for JOINT SECRETARY.

To

The Secretary to Government,Food Department,Madras (with encls)

MDK/29-6-1947.

30/6/47.

Ref.C.No. 3138-47-W7. South Kanara Collector's office, Mangalore dated 9-4-47.

From

J. F. Saunders Esq., CBE., ICS.,
Collector of South Kanara,
MANGALORE:

To

The Secretary to Government,
Food Department.

Through,

The Secretary to the Board Commissioner of Civil Supplies
Board of Revenue (CS.)
MADRAS:

Sir,

CIVIL SUPPLIES: Rice and paddy - South Kanara Dt.- penalties levied on late deliveries -utilisation for the construction of a T.B. Hospital -Permission- report submitted.

In this District a penalty of Re.1-0-0 on every mura of rice was being levied since 1944 when it was not delivered within the due date notified for such deliveries. The total amount levied during the year 1944-45 was Rs 67,683-0-0. This sum is claimed by the President of the S.K.C.C.W. Stores to reimburse the stores for the loss caused on account of transport charges of rice and paddy in this District. The matter is pending with the Board in its Ref.No.2949-U-II-46-6, dated 30-1-47.

2. The penalties levied during the year 1945-46 amounted to Rs 125,457-8-0 and those in 1946-47 up to end of February amount to Rs 38,368-0-0. The total penalties for 1945-46 and 1946-47 including the future collections up to the end of June 1947 are likely to come to about Rs 2,50,000/-. This is held in deposit by the S.K.C.C.W. Stores. The Dt. Food Committee has been agitating for its utilisation for the benefit of this Dt. as the money has been collected here and as no similar penalty is imposed in other District. The imposition of these penalties for late deliveries was found necessary for speeding up procurement. The Dt. Food Committee at its meeting held on 26-2-'47 passed a resolution in the effect that the penalties should be utilised for the benefit of this Dt. alone and called for the views of the Taluk Committees. After reviewing the views of the latter the Dt. Food Committee at its meeting held on 14-3-47 appointed a sub Committee to go into this question further

3. The Sub Committee after considering the views of the Taluk Committees recommended that the amount may be utilised for the following three items.

(a) For supply of improved varities of paddy seed to the agriculturists in this Dt. (estimated cost Rs 25,000/-)

(b) For starting a cattle breeding station in this Dt. (estimated cost Rs 75,000/-)

(c) Towards opening a Tuberculosis hospital in this Dt. (Estimated cost Rs, 1,50,000/-). The full details of the three schemes have yet to be worked out. The Committee also resolved to authorise the Collector to address the Government for permission to utilise the amount as specified above.

4. The Dt. Medical officer who was present at the meeting of the Sub Committee represented that the incidence of tuberculosis is very high in this Dt. and that the opening of a hospital as early as possible is necessary.

Now that a substantial sum is available for the purpose and as the Dt. Food Committee is eager to have this amount utilised exclusively for the benefit of this District I request that necessary permission to utilise the amount for the purposes specified above may be granted.

5. Copies of resolutions passed at the meetings of the Dt Food Committee on 26-2-47 and 14-3-47 and a copy of the resolution passed by the Sub Committee on 31-3-47 are enclosed.

1.9-B
below

For Collector.

10/4/47

not prevalent anywhere in the Province and that the Govt may be addressed in the matter. It was however resolved to call for the views of the Taluk Committee as regards the utilization of the money first

(Extract from the minutes of the Dt. Committee Meeting held on 26-2-47)

K.

not prevalent anywhere in the Province and that the Govt may be addressed in the matter. It was however resolved to call for the views of the Taluk Committee as regards the utilization of the money first

(Extract from the minutes of the DC Committee Meeting held on 26-2-47)

[illegible] then proceed to discuss the other [illegible]

[illegible] read out the recommendations of the [illegible] in regard to the utilization of the penalties [illegible] on the rates for late deliveries of rice and paddy and [illegible] that the amount may be utilized for supplying manure [illegible] cakes and [illegible] to ryots for paddy cultivation [illegible] the prices by half or one fourth. Some of the [illegible] were not agreeable to this suggestion. Dr. Sabanna Dixit [illegible] that the amount may be utilized for the construction of a [illegible] hospital in the District. After discussion it was decided to form a Sub Committee consisting of the following [illegible] who will go into the question and place its recommendations before the next District Committee meeting.

(1) Sri H. Chikka Rao.
(2) Sri A. B. Shetty.
(3) Sri K. B. Hiriyanna Gowda.
(4) Sri H. H. [illegible] Rao.
(5) Sri K. Ramaiah Chetty for the District Supply Officer.

(Extract from the minutes of the Dt. Committee Meeting held on [illegible]

True copy of Reference No.C.No.3138/47-W.7 dated 7/6/47 from the Collector of South Kanara, Mangalore to the Secretary to the Commissioner of Civil Supplies, Board of Revenue, Madras.

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Procurement--Paddy and rice--South Kanara District--Penalties levied on late deliveries--utilisation for the construction of a T.B.Hospital--permission--further report--submitted.

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This office Ref.C.No.3138/47/W.7 dated 9/4/47
Board's Ref.No.57674-U.II-47-1 dated 23/4/47

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The exact reasons for not giving effect to the Board's instructions issued in Rt.7/45 dated 2/1/45 are not known. The Presidnet of the S.K.C.C.W. Stores to whom the Board's instructions were communicated says that no orders were received by himas to the manner in which the amounts had to be adjusted in the price. So far as the penalties levied in the year 1944-45 are concerned, there is already a claim from the President of the S.K.C.C.W.Stores saying that the amount may be permitted to be adjusted towards the loss incurred by the Stores under transport charges. This matter is still pending consideration by the Govt.(vide Board's Ref.No.2949-U.II-47-47 dated 27/5/47). It may be that the question of utilisation of these penalties for 1944-45 or for 1945-46 by adjustment in the issue prices was deferred pending final orders on this claim of the S.K.C.C.W. Stores.

2) The amountof penalties levied on late deliveries is heldin deposit by the S.K.C.C.W.Stores. The final accounts of the Stores after audit become available some months after the close of the year. It is only after the exact amount collected in a year is known that the question of adjusting it in the issue prices can be taken up. The intention the Board's instructions Rt.7/45 dated 2/1/45 appears to be that the penalties should be spread over all the issues made throughout the district and not over the issues only in a particular area during a particular period.

3) The average offtake of rice in a year both in the statutorily rationed areas and the informal rationed areas in the District exceeds 65,000 tons or 16 lakhs of muras. Even if a substantial amount of one lakh of rupees become available for adjustment at one time, it will work up to only about 0/1/0 on a mura of rice. This adjustment will result in the reduction of the wholesaler's issue price by one anna, where the consumers get practically nothing, as the adjustment of one anna works out to only a fraction of a pie per seer of rice. The difference in the price of a mura of rice must be not less than 0/4/0 if there is to be a benefit of at least a pie in the issue price of a seer of rice to the consumer. It will therefore be evident that the accumulated penalties were too small to pass to the consumer.

Sd/Collector.

30/6/47

True copy

Superintendent. 30.6.
Board of Revenue

R.F. III A 48. 8,058-5-38.

Statement showing the mortality (except from natural decay, accident and slaughter) among equines (horses, mules and asses), cattle, buffaloes, sheep, goats, dogs and camels in the village of taluk district during the month of 193 .

ಗ್ರಾಮದಲ್ಲಿ ತಾಲೂಕು ಜಿಲ್ಲೆ ಇವುಗಳಲ್ಲಿ ತಿಂಗಳಲ್ಲಿ ಅಶ್ವಜಾತಿಯ (ಕುದುರೆ, ಹೇಸರಕತ್ತೆ ಮತ್ತು ಕತ್ತೆ) ದನಕರುಗಳು, ಎಮ್ಮೆ, ಕುರಿ, ಮೇಕೆ, ನಾಯಿ, ಒಂಟೆಗಳ (ಸ್ವಾಭಾವಿಕವಾಗಿ, ತಾಣಗುಂಟು, ಚರ್ಮಕ್ಕಾಗಿ ಅಥವಾ ಮಾಂಸಕ್ಕಾಗಿ ಕೊಲ್ಲದೆ) ಸಂಭವಿಸಿದ ಮರಣಗಳ ವಿವರ.

Total as per the latest census. ಕಡೆಯ ಜನಗಣತಿಯ ಸಂಖ್ಯೆ	Number of equines (horses, mules and asses). ಅಶ್ವ (ಕುದುರೆ, ಹೇಸರಕತ್ತೆ ಮತ್ತು ಕತ್ತೆಗಳ ಸಂಖ್ಯೆ).	Number of cattle. ದನಕರುಗಳ ಸಂಖ್ಯೆ.	Number of buffaloes. ಎಮ್ಮೆಗಳ ಸಂಖ್ಯೆ.	Number of sheep ಕುರಿಗಳ ಸಂಖ್ಯೆ	Number of goats ಮೇಕೆಗಳ ಸಂಖ್ಯೆ.	Number of dogs ನಾಯಿಗಳ ಸಂಖ್ಯೆ.	Number of camels ಒಂಟೆಗಳ ಸಂಖ್ಯೆ.	Remarks. ಷರಾ
-	-	-	-	-	-	-	-	-

	NUMBER OF DEATHS AMONG, ಮರಣಗಳ ಸಂಖ್ಯೆ.						
Cause of death. ಯಾವ ಕಾರಣಗಳಿಂದ ಸಂಭವಿಸಿದ ಮರಣ	Equines (horses, mules and asses) ಅಶ್ವ (ಕುದುರೆ, ಹೇಸರ ಕತ್ತೆ, ಕತ್ತೆ).	Cattle. ದನಕರುಗಳು.	Buffaloes. ಎಮ್ಮೆ, ಕೋಣಗಳು.	Sheep. ಕುರಿಗಳು.	Goats ಮೇಕೆಗಳು.	Dogs. ನಾಯಿಗಳು.	Camels. ಒಂಟೆಗಳು.	Remarks. ಷರಾ.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I. Deaths from contagious diseases — ಅಂಟು ರೋಗಗಳಿಂದ ಉಂಟಾಗಿದ ಮರಣಗಳು—								
(a) Rinderpest. ದೊಡ್ಡ ರೋಗ	-	-	-	-	-	-	-	
(b) Anthrax. ಪ್ರಾಣಿಘಾತಕ ಜ್ವರ	-	-	-	-	-	-	-	
(c) Hæmorrhagic septicæmia. ಗಂಟಲು ರೋಗ	-	-	-	-	-	-	-	
(d) Black Quarter. ಸಪ್ಪೆ ರೋಗ	-	-	-	-	-	-	-	
(e) Foot and Mouth Disease. ಕಾಲುಬಾಯಿ (ಯಾನೆ) ಕಾಲಿಜಂತು ...	-	-	-	-	-	-	-	

Memo No. 3[355-A/47-6 dt. 27.X.47 Gen.

Subject: Procurement - Paddy and rice - South Kanara dt. - Penalty levied for late deliveries - Utilisation of the amount realised.

Ref: From the Bd of Rev. (Cs.) Lr. No. 294 of VII/46 dt. 18.11.46 and No. 57674 VII/47-3 dt. 6.1.47.

The Bd of Rev (Cs.) is requested to state whether short payments on account of late delivery of paddy and rice by producers were made only in the South Kanara district or in the other districts as well, and if so the amount realised in each of the other districts during each year.

In view of the fact that in order to keep the S. Kanara Dt. supplied with grain, the Govt have had to incur huge expenditure by way of subsidies in selling rice imported from other districts at the price appropriate to the district or by way of [illegible] staff etc. the question whether it is proper to treat the amount realised by the

cuts imposed on late deliveries (as a windfall) ~~has been treated~~ It is also set out that ~~from the whole the part must not~~ be ~~not that matter~~ a particular ~~case~~ to find out that there is not enough justification for ~~treating~~ the amounts realised by the cuts as something for which the Inland has a special claim. The Board is ~~requested to offer its remarks on the above points~~ ~~to be invited for~~ to which the Board of Revenue (Mr. S. Kaiser dt above) dt. has a special claim. The Bd is requested to offer its remarks on the above points.

Mr. 27/12/47

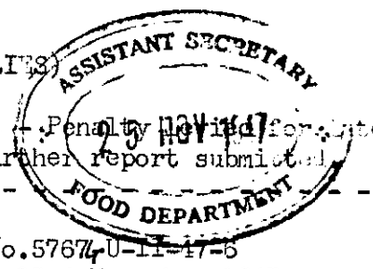
RD 8 xi 47

Rec'd 14/11/47

BOARD OF REVENUE (CIVIL SUPPLIES)

SUBJECT:

PROCUREMENT - Paddy and rice - South Kanara District - Penalty levied for late deliveries - Utilisation of the amount realised - Further report submitted.



Ref.No.5767-U-11-47-5
dated 23rd November 1947.

From

C. K. VIJAYARAGHAVAN ESQ., I.C.S.,
Commissioner of Civil Supplies.
Sri T. Prabhakara Rao Nayudu, B.A.,
Joint Secretary to the Commissioner.

61616

REF: GOVERNMENT (FOOD DEPARTMENT) MEMO NO.30055A/47-6 dated 27-10-47 and reminder thereon 13.11.47

With reference to para 1 of the Government Memo cited the Board submits that short payment on account of late deliveries of paddy and rice by producers was not made in other districts in the previous years. Such short payments are now being made in all districts with reference to the orders in Government Memo No.28562-A/47-1 dated 27-5-47. A statement showing the savings effected in the several districts from May 1947 to September 1947 is enclosed.

2. The Board submits in this connection that with reference to the orders in G.O.No.4888 confidential dated 14-11-44, the stocks acquired under the Defence of India Rules were being paid for at reduced rates the rate of reduction being 0-6-0 per maund in the case of paddy and 0-8-0 per maund of rice less than the rates for voluntary contracts. The exact amount of savings effected in the surplus districts as a result of payment at such reduced rates, is not readily available with the Board at present. The amount realised by payment at such reduced rates were, however, ordered to be credited to Government.

3. In view of the Government's observations in para 2 of their memo cited the Commissioner of Civil Supplies does not press his original recommendation that the savings effected in South Kanara in 1944-45, 1945-46 and 1946-47 on account of short payments to producers for late deliveries of paddy and rice might be ordered to be utilised in the district itself. The request of the South Kanara District wholesale Co-operative Societies for payment to them of the amount collected in 1944-45 to wards reimbursing the loss incurred by them on transport charges and also the proposal of the Collector of South Kanara for utilising the collections in 1945-46 and 1946-47 on certain items of public utility in the district, need not be accepted.

For [illegible] 23.11.47
Joint Secretary to the Commissioner

To

The Secretary to the Government,
Food Department, Fort St. George, Madras.

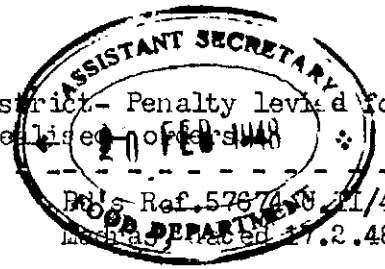
PRN.23.11.

23/11/47

I.t.c.

Board of Revenue (CS)
Abstract.

PROCUREMENT - Paddy and rice- South Kanara district- Penalty levied for late deliveries- utilisation of the amounts realised - orders issued.



Bd's Ref.57674/N.II/47-3....
Madras, dated 17.2.48.

From

V.S.Hejmadi Esq., I.C.S.,
Commissioner of Civil Supplies.

-

Sri.T.Prabhakara Rao Nayudu,
Joint Secretary to the Commissioner of Civil Supplies.

-

Read:1)Government Memo.No.30055-A/47-6 Food dated 27.10.46.
2)Bd's Ref.No.57674.N.II/47-6 CS. dated 23.11.47.
3)From the Collector of Malabar, Roc.N.7-3138/47. dated 2.2.48.

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Submitted to Government, in continuation of the Board's reference second cited.

The Board requests early orders in the matter.

8405

for.Joint Secretary.

To
The Secretary to Government, Food Department, Madras with enclosure in original.

RRK.18.2.48.

R.O.C.W7-3138-47.

S.K.Collector's Office,
Mangalore, dated 2-2-1948.

From

S.R. KAIWAR ESQ., I.C.S.,
Collector of South Kanara,
MANGALORE.

To

The Secretary to Government,
Food Department,
M A D R A S.

Through

The Secretary to the Commissioner of
Civil Supplies, Board of Revenue (CS).,
M A D R A S.

Sir,

PROCUREMENT- Paddy and rice - South Kanara District- Penalties levied on late deliveries - final figures- report - submitted -

Ref: This Office ROC.5971-46-W7 dated 12-8-46.
2.This Office ROC.3138-47-W7 dated 9-4-47.
3.Board's Ref.No.5774-UII-47 dated 23-4-47.

**

In my report Ref.C.No.3138-47-W7 dated 9-4-47 recommending the utilisation of the penalties for late deliveries of rice and paddy under the procurement scheme details of the collections were furnished therein. The sum of Rs.67683-0-0 collected in 1944-45 was claimed by the S.K.C.C.W.Stores, to re-emburse the loss incurred for transport charges. The matter is still pending with the Government(vide Board's Ref.No.2949-UII-46 (CS)dated 10-11-47.

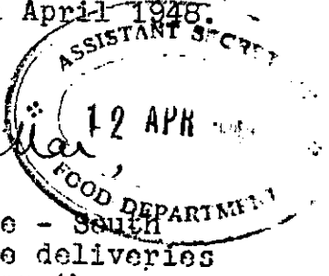
2/- The total amount of penalties levied during the fasli year 1945-46 was reported as Rs.123457-8-0. The correct amount after the final audit of the accounts is now reported to be Rs.127058-15-0 The subsequent collections i.e.from 1-7-46 to 24-7-47 amounted to Rs.51643-8-0 and this figure is subject to alteration after the final audit is completed which it is expected will take about three months more. All these collections are now lying with the S.K.C.C.W. Stores and the penalties levied after 24-7-1947 were being credited to Government as directed in Board's L.Dis.No.024839-U-II-47(CS) dated 9-8-47; The total amount thus available for the T.B.hospital etc. comes to Rs.178702-7-0 (Rs.127058-15-0 plus 51643-8-0) and not to Rs.250,000-0-0 as stated in this office report Ref.C.No. 3138-47-W7 dated 9-4-47. I also solicit early orders on the proposals for the utilisation of these sums as already suggested.

For Collector.

C.No.30055-47

D.O.
Ref.C.No.3138/47.W.7.

Collector's Office, South Kanara,
Mangalore, Dated 7th April 1948.



My dear Kuttalingam Pillai,

Ok. bring papers mean 11/4/48

Subject: Civil Supplies: Paddy and rice - South Kanara District - Penalties on late deliveries of procured stocks - utilisation for the construction of T.B. Hospital etc - permission-references pending with Government.

I find from the papers in my office that there are two references on the subject cited above pending with the Government for sometime. One reference relates to the claim of the S.K.C.C.W.Stores Ltd., Mangalore which was and still is the sole procuring agent of the Government in this District to compensate it for the loss incurred by it in transporting foodgrains during the year 1944-45. The President of the S.K.C.C.W.Stores had applied for permission to adjust the penalties amounting to Rs.1,27,058- 15- 0 collected during the year 1944-45 towards the loss in question. The Government had called for reports in their Memos No.30312-A.46-2 Food dated 24- 1- 1947 and No.30313-A.46-3 Food dated 12-2-47 through the Board of Revenue and full reports were also submitted then. Final orders have not yet been received. Will you please let me know when final orders may be expected?

2. The other reference relates to the utilization of the penalties collected during the years 1945-46 and 1946-47 amounting to Rs.1,78,702- 7- 0 and the balance of 1944-45 penalties, if any, if suggestions in para 1 is approved. The Board in its Ref.No.57674-U-II-47 dated 14- 12- 1947 said that the orders of the Government are awaited. This amount which was first expected to amount to about Rs.2,50,000/- was proposed to be utilized for supply of improved varieties of paddy seed to the agriculturists, for starting a cattle breeding station and for opening a T.B.Hospital in the District as recommended by the District Food Committee.

3. I do not know precisely what is happening, but I am given to understand by certain persons here, who seem to be in the confidence of Authority, that the matter appears to have been bogged down in a discussion about financial principles and ethics. Under the circumstances it may not perhaps be out of place to draw pointed attention to the fact that penalties collected up to July 1947 appears to be still in deposit with the S.K.C.C.W.Stores Ltd., and at least for that reason if for no other, an early decision appears to be essential. I believe it is only in South Kanara that the system of penalties for late deliveries was effectively enforced before July 1947. The large number of small holders of South Kanara from whom these penalties were collected, would feel rather aggrieved if the whole of this amount should be merged in the revenues of the Province particularly if they do not get any counter-vailing grant or other special schemes instituted for their benifit. I know it is a dangerous principle to suggest that whatever money is collected in one area should be spent in that area for, that might mean a complete atrophy of all Nation-building activities. But without prejudice to the principle, I think there is a strong case either to accept the recommendations already made from here in toto and allow the money that is lying in deposit with the S.K.C.C.W. Stores Ltd. to be utilised as suggested, by partly adjusting towards the losses incurred by that Society

and the balance diverted for ~~the~~ beneficient activities. If, however, this course of action is considered objectionable, I suggest that the Government be pleased to make an ex-gratia grant for the purposes specified or for some other purpose which will benifit the common-man in South Kanara. I would add for the consideration of the Government a planned programme of improvement to all the muffusil hospitals in the South Kanara District as one of the alternatives that might be considered.

4. I should also like to bring to the notice of Government that very strong feeling exists in this District as to how this money should be spent. The incidence of tuberculosis appears to be increasing in the West-Coast and the South Kanara Branch of the Madras Provincial Welfare Fund is making large plans for building a T.B.Hospital and a Leprosium, apart from improvements to the existing Hospitals. All these things need money and a grant of this kind, whether it takes the form of allowing the penalties collected in this District to be utilised or alternatively a straight-forward ex-gratia grant, would go a long way to dispel the feeling engendered in these parts that South Kanara District has been neglected over one hundred years, is being neglected and continues to be neglected notwithstanding the large amount of revenues it has been furnishing over several decades to the Province and to the Centre.

5. I would therefore request that the Government may be pleased to arrive at an early decision on this matter. I am submitting a copy of this letter to the Board of Revenue and I hope the Board will not object to my striking out a new line of approach without first submitting the same to it for consideration.

Yours sincerely,

S R Kaiwar

To

Sri Rao Bahadur M.A.Kuttalalingam Pillai, B.A.,
Secretary to Government,
Food Department,
Fort St. George, Madras - 9.

Copy to N.S.Mani Esq., I.C.S.,
Secretary to the Commissioner of Civil Supplies,
Board of Revenue (C.S.),
Chepauk, Madras - 5.

1st Dept

To Asst

Secy's notes at Misc. Cases. The connected files have been circulated to H.M.(P.H.) and H.M.(Finance) on 2.4.48. This may be seen by them on receipt of the files or by 17.4.48 whichever is earlier.

I thought we got the file back with orders

12/4/48

Perhaps this letter too may be circulated to them for information

12/4/48

12/4/48

29 Fwd. Sep H.Q.

Please issue at once.

Memo No 30455 A/47-1097 7.5.48

Subt: Procurement - Foodgrains - S. Kanara dt. - Penalties imposed on late deliveries - Amount saved - Utilisation - Proposals

6/5/48 8/5

Ref: From the Bd. Coln. (CS), Rep. No 57674-2II/47-6, dt 23/11/47

The Bd. Coln. (CS) is requested to furnish the information regarding the amounts savings effected in several dts. by imposing cuts on prices ~~deducted~~ fixed for late deliveries of foodgrains from 1947 upto the latest month available

Yours
The Bd. Coln. (CS)
Bgm 6/5/48

for
6/5/48
7.5.48

for
7/5/48

Please issue urgently

12/5/48

13/5: ex

3/13.5

Food Dept A1

D.O.No. 30055-A/47-11 dt 12.5.48

( )

Subt: Procurement - Foodgrains - S. Kanara DC - Imposition of cess on price paid for the deliveries of foodgrains - Utilisation of the amount raised - Proposals.

Ref: Your D.O.No. Rev. 3138/47.W.7 dt 7/4/48

2 s. 26 cf

I am to inform you that the matter is still under the consideration of the Govt. and formal orders will be passed as soon as possible.

To
S.R. Kaimal Esqr. I.A.S.
D.C.S.
Mangalore

11/5/48

Yours etc
for Secretary to Govt.

12/5/48

18/5

BOARD OF REVENUE (CIVIL SUPPLIES)

SUBJECT:

PROCUREMENT - Foodgrains - South Kanara District - Penalty for late deliveries - Amount saved - Particulars - reported.

ASSISTANT SECRETARY
26 MAY 1948
FOOD DEPARTMENT

BOR (CS) Dated 24th May 1948.

24311

From

V. C. HEJMADI ESQ., I.C.S.,
Commissioner of Civil Supplies.
Sri P. Sivasankaran Pillai, B.A., B.L.,
Joint Secretary to the Commissioner CS.

REF: Government Memo No.30055-A/47-10 Food dated 7-5-48.

With reference to the Government Memo cited, the Board [illegible] herewith a statement showing the savings effected by way of short payments made for late deliveries of foodgrains under the intensive procurement scheme in the several districts in each of the months May 1947 upto March 1948.

2. The intensive procurement scheme was given up in all deficit districts except Malabar and the Nilgiris districts with effect from 28-12-47 and in Trichinopoly and South Arcot districts with effect from 14-3-48. There are no savings of the kind effected in Malabar district as the procurement is done in that district under the Madras Foodgrains procurement Order.

K R Srinivasan
for Joint Secretary. 24.5.48

To

The Secretary to Government, Food Department, Madras.

(with enclosure)

BM.24.5.

[illegible]. Tule .	..	..	..	- -	-[illegible]-0	4 18	..	..	..	..	..	[illegible]
16. [illegible]th Arcot.	..	..	..	1[illegible]-11-0	21[illegible]--3-0	1[illegible]-[illegible]-- 11	[illegible]	..	..	..	..	[illegible] 1[illegible] 0
17. South Kanara.	..	625 0 0	600 5 0	3[illegible]8--2-0	107--1-7	3[illegible]4 [illegible] [illegible] 2234	8-12-11	11[illegible]-4-1	..	..	..	36472 12 3
18. Tanjore.	..	..	..	..	..	..	..	..	..	..	..	..
19. The Nilgiris.	..	..	..	..	..	..	..	..	..	..	..	..
20. Tinnevelly.	..	..	80 0 0	14--7-0	..	112 2 2 0	0 2	16 0 1	..	..	..	233 4 5
21. Trichinopoly.	..	..	..	..	..	0 6 0 12	6 0	..	..	..	..	1[illegible] 12 0
22. Vizagapatam.	..	..	..	..	..	..	..	..	..	..	..	..
23. West Godavari.	..	437 4 0	33 15 0	303--4-0	16[illegible]--1-0	[illegible] 0 0 171	0 0	..	..	..	[illegible]4 0 0	1224 8 0
TOTAL:	1111 1[illegible] 0	57[illegible] [illegible] 6	[illegible]13 0 0	1035-11-3	2007-[illegible]-[illegible]	[illegible]62 2-0-11 2291	4-3-6	119[illegible]-[illegible]--1	..	[illegible]34 3 [illegible]	355 12 0	57767 2 7

[illegible]/17.5.47

[signature]
Superintendent

[illegible] showing the savings effected in each of the months from [illegible] to [illegible] by way of short payments due to late delivery of food-grains.

--oOo--

[illegible]	May '47	June '47.	July '47.	August '47.	September '47.	October '47.	[illegible]	[illegible]	[illegible]	[illegible] '48.	[illegible]	[illegible] total.
	Rs. As. Ps.	Rs. As. Ps.	Rs. As. Ps.	Rs. A. P.	[illegible]	Rs. A. P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1. [illegible]pur.	..	..	..	7 15 11	..	37 6 10	1[illegible]	[illegible] 5	..	..	..	70 1 2
[illegible]	..	..	..	..	..	..		..	..	..	..	..
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[illegible]. Cuttack[illegible].	..	..	..	..	..	..		..	..	..	..	..
[illegible]	5 7 0	75 7 0	12 8 0	15 4 3	804-14-3	441 15 3	[illegible]	[illegible]	..	..	..	1864 5 0
[illegible]	..	..	..	..	..	..		..	..	..	..	..
[illegible]	..	[illegible] 6 [illegible] 3	[illegible]58 8 0	262--8-0	208--8-0	76 8 0		..	..	..	..	8686 [illegible] 6
[illegible]	..	1344 12 0	3[illegible]7 12 0	330--5-1	355--0-6	728 14 0	14[illegible] [illegible] 0	[illegible]	..	..	96 12 0	3718 3 7
[illegible]	..	[illegible] 0	300 12 0	63--8-0	..	0 8 0		..	..	..	75 0 0	1288 [illegible] 0
1[illegible]. [illegible]	..	..	..	..	..	..		..	..	..	..	..
11. [illegible]	..	..	..	..	..	..	2 t [illegible]	..	..	..	..	8 10 8
12. [illegible]e.	1106 5 0	1111 10 0	[illegible]01 12 0	550-14-0	1[illegible] 14 0	[illegible]6 11 0	..	..	..	84 3 2	..	3[illegible]25 6 0
13. [illegible] [illegible]cot.	..	.	10 [illegible] 0								..	13 11 0

SPECIAL.

GOVERNMENT OF MADRAS
Food Department.
***
Memorandum No.30055-A/47-12, dated ~~21st June 1948~~ 22.6.48.

Sub: PROCUREMENT - Foodgrains - South Kanara District - Imposition of penalties for late deliveries - Amount collected - Further information - Called for.

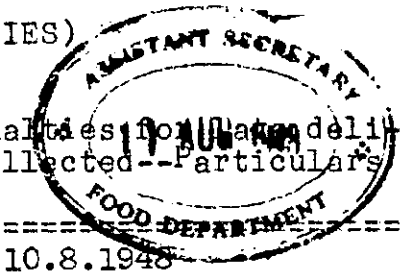
Ref: From the Board of Revenue (Civil Supplies) Ref.No.57674-UII/47-11 dated 24th May 1948.

The Board is requested to furnish information in the following form addressing Collectors if necessary. The information should be as accurate as possible.

DISTRICT.	Penalty for late deliveries of foodgrains to Government Procuring agents.		Payment of reduced price for requisitioned stocks.		Remarks. (Furnish here year-war details for the amounts shown under	
	Rate of penalty.	Amount credited to Government on account of the penalty from date of introduction of controls upto date.	Rate of reduction in price.	Amount credited to Government owing to reduction in requisition price from date of introduction of control upto date.	Column 3	Column 5.
1	2	3	4	5	6	7

2. The reasons for any difference between the rates adopted in different districts under columns 2 and 4 should be explained.

BOARD OF REVENUE(CIVIL SUPPLIES)
Subject



PROCUREMENT--Foodgrains--Imposition of penalties for late deliveries and requisitioned stocks--amount collected--Particulars called for--Report--Submitted

Ref.No.57674UII/47-15(C.S)dated 10.8.1948

From

V.S.HEJMADI ESQ.,I.C.S.,
Commissioner of Civil Supplies

35878

SRI P.SIVASANKARAM PILLAI,B.A.,B.L.,
Jt.Secretary to the Commissioner of Civil Supplies

p. 35 letter

***

READ: Govt.Memo.No.30055-A/47-12(Food)dated 22.6.1948
Govt.D.O.No.30055-A/47-14 dated 28.7.1948

...

p.39-40 letter

With reference to the Government Memo. cited, the Board submits herewith a statement showing the particulars called for therein relating to all districts except East Godavari, Kistna, Nellore, Madras and Malabar districts. There are no savings of the kind effected in Madras and Malabar distficts. The reports from the Collectors of East Godavari, Kistna and Nellore have not yet been received. They have been telegraphically reminded. On receipt of the reports due from those Collectors a further report will be submitted to Government.

K Srinivasan
For Jt.Secretary 10.8.48

To The Secretary to Government, Food Department,Madras
with encls.

---

s.n.10.8.

P.S.

While ref. to the Govt. Resn. H.P.'s mention on p 35 of Food/A

at ~~p~~ p. 35 above, please see the

B.d.'s report at p. 37 above. Further

information in respect of other dts

may be awaited till 19/8/48

12/8/48 12.8.48

13/8/48

41327

Board of Revenue (Civil Supplies)

PROCUREMENT - Foodgrains - Imposition of penalties for late deliveries and requisitioned stocks - Amount collected - Further report - Submitted.

Board's Ref. 57674 U.II/48 (CS) dated 23-9-48.

From

V.S.Hejmadi, Esq., I.C.S.,
Commissioner of Civil Supplies.

* * *

J.Pare, Esq., I.C.S.,
Joint Secretary (in-charge)

--oOo--

Ref:- Govt. D.O.No. 30055-A/47-13 Food dated 17-9-48.

* * *

In continuation of its reference dated 10-8-48, the Board submits herewith a statement showing the particulars relating to the districts of Krishna and East Godavari.

2. As regards the particulars relating to Nellore district, the Collector has requested time until about the end of this month. The Board's report in respect of that district will be submitted on receipt of the Collector's report.

K Srinivasan
for Joint Secretary.

24/9/48

To
The Secretary to Government,
Food Department, Madras (with a statement)
Copy to the Collector of Nellore.
(He is requested to submit his report positively by the end of this month so as to enable the Board to keep its promise to the Government.
p.p/23-9-48.

A.S. Food (A)
Subd for perusal. The receipt of further report based on Nellore collr's rep at once may be awaited till 7.X.48.

25/9/48

25/9/48

BOARD OF REVENUE.(CIVIL SUPPLIES)

Subject:

PROCUREMENT - Foodgrains - Imposition of penalties for late deliveries and requisitioned stocks - Amount collected - Further report - SUBMITTED

Board's Ref.No.57674,U.II.47.20-(CS)
dated the 16th October,1948.

EASTERN CIRCLE
21 OCT 1948
460
FOOD DEPARTMENT

From

V. S. Hejmadi Esquire, I. C. S.,
Commissioner of Civil Supplies.

Khan Saheb K. Hasheem Sahib B.A.,
Joint Secretary to the Commissioner
of Civil Supplies.

Read: Board's Ref.57674.U.II.47.19.(CS) dated 23.9.1948.

===

In continuation of its reference cited, the Board submits herewith a statement showing the particulars relating to the Nellore district.

for Joint Secretary.

To

The Secretary to the Government,
Food Department, Fort St.George,
Madras (with enclosure)

Kittal61048.

83
16/10.

Issue to-day

26/X/48

Memo. no. 30055. A/47-15 dt. 24.X.48

Subj: Bonus Scheme - Introduction of penalties for late deliveries - Annual collection. Information

p. 31 of Rep. (i) From the Bd. of Revenue, no. S.76744/II dt. 26.5.48

p. 31 of (ii) Govt. Memo. no. 30057 A/47-12 dt. 22.6.48

p. 37 of (iii) From the Bd. of Revenue, no. S.76744/II dt. 10.8.48

p. 39 of (iv) From the Bd. of Revenue, no. S.76744/II dt. 23.9.48

p. [illegible] of (v) From the Bd. of Revenue, no. S.76744/II dt. 16.X.48

The following discrepancies are with

in the particulars furnished with the
referee last three cited above.

(i) In the Shell enclosed with the BD
referee first cited the amount of savings
effected in Amalapuram dt. during May 47 & March 48
by way of short payments due & late
deliveries of fortifications is reported as Rs. 70---2,"
whereas it is reported as 'nil' in the
Shell enclosed with BD referee 3rd cited
above.

(ii) In the Shell enclosed with BD'
referee first cited the amount of savings in
Coimbatore dt. during May 47 & Dec 47
is reported as Rs. 1886-5-0 whereas in the
Shell enclosed with referee 3rd cited
it is reported that the amount credited to Govt

due to penalty for late delivery is Rs. 95-0-0 and that due to reduction in registration price is Rs. 859-14-3 for 1947-48, totalling to Rs. 1810-14-3.

(ii) In respect of Sikanan dl. in col. (7) of the statement with the 3rd report, 3rd cited year wise particulars of the amount collected have been furnished; but particulars of rate of reduction in price and the total amount collected which have been called for under cols (4) and (5) have not been furnished.

(iii) The total of cols (3) and (5) in the statement with the 3rd report cited is given as Rs. 63 408-11-9 whereas the actual total works out to Rs. 309794-2-9

(iv) The rates of penalty shown under

Col 21 where rate of sentence are higher than the rate applied to other districts. The Bd. has not furnished the reasons for this ~~discr~~ differential rate as required under Govt. Resn. 2nd cited.

~~Against different~~ Under the Col (4) "Rate of reduction in pence", different rates have been furnished for the same offence under Secs. 379, 380, 411 and 414 and these again differ from the rates furnished in respect of the other dists. The Bd. has not furnished the reasons for this.

The Bd. is requested to ~~furnish the reasons at once and~~ submit a report at once, reconciling the discrepancies and ~~supplying~~ supplying the omissions pointed

due to penalty for late delivery is Rs. 95-1-00 and that due to reduction in registration price is Rs. 85-9-14-3 for 1947-48, totalling to Rs. 1810-14-3.

(iii) In respect of Sikanan dt., in col. (7) of the shell enclosed with the 3rd report, 3rd stated year wise particulars of the amount collected have been furnished; but particulars of rate of reduction in price and the total amount collected which have been called for under cols (4) and (5) have not been furnished.

(iv) The total of cols (3) and (5) with shell enclosed with the 3rd report 3rd cited is given as Rs. 63 408-11-9 whereas the actual total works out to Rs. 309794-2-9

(v) The rate of penalty shown under

Col (2) with case of Sharanpur are higher than the rates applied to other districts. The BD. has not furnished the reasons for this ~~difference~~ differential rate as required with Govt. Memo. 2nd cited.

~~Against different~~ Under the Col (4) 'Rate of reduction in price', different rates have been furnished for the Jan & Bl. with case of W. Godr., C. Godr. and Krishna and these again differ from the rates furnished in respect of other Dts. The BD has not furnished the reasons for this.

The BD is required to ~~furnish the reasons at once and~~ submit a report at once, reconciling the discrepancies and ~~supplying~~ supplying the omissions pointed

out above together with the reasons called for above. The B.D. is also required to quote the authority with the G.O. no. & date for the levy of rate of penalty for [illegible] late delivery and for the rate of reduction in requisition price.

The report should reach the Govt. not later than 2.11.48.

25.X.48

Secretary

Col. [illegible]

To The Bd. of Revenue

(R.2.11.48)

Copy of letter

GOVERNMENT OF MADRAS
Food Department
MEMORANDUM No. 30055-A/47-13 Dated the 26th October, 1948.

Sub: Procurement - Foodgrains - South Kanara District - Imposition of penalties for late deliveries - Amount collected - Information.
Ref: From the Board of Revenue(Civil Supplies) No.57674UII/47-1 dated 24-8-48
Government Memorandum No.30055-A/47-12 dated 22-6-48.
From the Board of Revenue(Civil Supplies)No.57674-UII dated 10-8-48.
From the Board of Revenue(Civil Supplies)No.57674-UII/48 dated 23-9-48.
From the Board of Revenue(Civil Supplies)No.57674-UII/48 dated 16-10-4[illegible].

---:---

The following discrepencies are noticed in the particulars furnished in the references last three cited above.

(1) In the statement enclosed with the Board's reference first cited the amount of savings affected in Anantapur District during May 1947 to March 1948 by way of short payments due to late deliveries of foodgrains is reported as Rs.70-1-2, whereas it is reported as nil in the statement enclosed in the Board's reference 3rd cited above.

(ii) In the statements enclosed in the Board's reference first cited the amount of savings in Coimbatore District during May 1947 to December 1947 is reported as Rs.1864-5-0 whereas in the statement enclosed in the reference 3rd cited it is reported that the amount credited to Government due to penalty for the deliveries is Rs.951-0-0 and that due to reduction in requisition price is Rs.859-14-3 for 1947-48, totalling to Rs.1810-14-3.

(iii) In respect of South Kanara District, in column (7) of the statement enclosed with the Board's reference 3rd cited year war particulars of the amount collected have been furnished; but particulars of rate of reduction in price and the total amount collected which have been called for under columns (4) and (5) have not been furnished.

(iv) the total of columns (3) and (5) in the statement enclosed in the Board reference 3rd cited is given as Rs.63,408-11-9 whereas the actual total works out to Rs.3,09,794-2-9.

(v) the rates of penalty shown under column (2) in the case of South Kanara are higher than the rates applied to other districts. The Board has not furnished the reasons for this differential rates as required in the Government Memorandum 2nd cited.

In the column (4)"rate of reduction in price", different rates have been furnished from the same district in the case of West Godavari, East Godavari and Krishna and these again differ from the rates furnished in respect of the other districts. The Board has not furnished the reasons for this.

The Board is requested to submit a report at once, reconciling the discrepancies and supplying the omissions pointed out above together with the reasons called for above. The Board is also requested to quote the authority in the G.O. number and date for the levy of rate of penalty for late deliveries and for the rate of reduction in requisition price.

The report should reach the Government not later than 2--11--1948.

N.Adiseshan,
Assistant Secretary to Government.

To
The Board of Revenue(Civil Supplies) Madras.

/ Forwarded / By Order /

kvr/26x48. Superintendent.

26x48

BOARD OF REVENUE (CIVIL SUPPLIES)
Subject.

ASSISTANT SECRETARY
15 NOV 1948
49714
FOOD DEPARTMENT

PROCUREMENT--Foodgrains--South Kanara district--Imposition of penalties for late deliveries--Amount collected--Further report submitted.

=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v=v-v-

Bd's Ref.57674-UII/47-21,CS,
Dated 12th November 1948.

From

V.S.Hejmadi Esq.,I.C.S.,
Commissioner of Civil Supplies,Madras.

Khan Sahib K.Hashim Sahib, B.A.,
Joint Secretary to the Commissioner of Civil Supplies,
Chepauk,Madras.

Ref:-1.Government Memo No.30055-A/47-12,Food, dated 22-6-1948.
2.Board's Ref.57674-UII/47-15,CS,dated 10-8-1948.
3.Government Memo No.30055-A/47-15,Food,dated 26-10-1948.

The several points raised in the Government Memo last cited are answered below:-

Point (1):-

Reference is invited to the orders issued in Government Memo No.28562-A/47-1, Food, dated 27-5-1947 wherein the rates of reduction in the prices of foodgrains delivered after the due date notified for their delivery were fixed. No distinction was made in the Government Memo or in the Board's Reference No.47100-UII/47-4, dated 13-5-1947 on which the Government issued the orders about (i) stocks voluntarily delivered after the due date and (ii) stocks actually seized or requisitioned after the due date. The same rates of reduction were followed for quantities procured under both the heads. In reply to the Government Memo No.30055-A/47-10, Food, dated 7-5-1948 the Board furnished the particulars of savings effected or short payments made for late deliveries according to the figures gathered from the monthly statements received from the Collectors. But as the Government in their reference first cited required particulars separately for savings effected in respect of (i) the quantities voluntarily delivered by the producers and (ii) the quantities requisitioned from the producers after the due date, the necessary particulars were obtained from the Collectors and reported to Government. The Collector of Anantapur furnished the amount of savings effected in his district as the savings effected in respect of the payment made for the foodgrains '<u>requisitioned</u>' from the producers after the due date. Hence in column 3 of the statement submitted with the Board's reference second cited, no amount was shown. There is, of course, a slight difference of 10 pies between the amount first reported and the amount subsequently reported by the Collector but the difference being negligible no action seems called [illegible]

Point (2):-

The amount of savings effected in Coimbatore district during May 1947 to December 1947 was reported as Rs. 1,864-[illegible] according to the monthly reports received from the Collector against Rs. 1,810-14-3 reported by him in his subsequent report received. With reference to the Government Memo first cited. reference is being made to the Collectors to reconcile the [illegible]rancy and a further report will be submitted to Government [illegible] as the report from the Collector of Coimbatore is received.

Point (3):-

In the case of South Kanara district, the rate of reduction is Re. 1-0-0 per mura of rice and ragi and Re.[illegible] per mura of paddy and the amounts of savings effected are [illegible] reference to these rates. The total amount collected viz.

(P.T.O)

viz. Rs. 2,46,[illegible]-7-0 upto 24-7-[illegible] ... shown in column 5 of the statement as the amount was not actually credited to Govern-ment but left with the Secretary, Central Co-operative Wholesale Stores (the receiving agent) [illegible] credit to [illegible] account.

Point (4):-

[illegible] ... Rs. 62,40[illegible]-1-0. ... Rs. 1,46,29[illegible]-7-0 shown in column 7 ... statement ... the Cocanada district as the amount is reported to have not been actually credited to Government but left with the Secretary, Central Co-operative Wholesale Stores (the Wholesale receiving agent). Hence the difference, taking the two amounts together the total comes to Rs. 3,09,704-8-0.

Point (5):-

In South Kanara district, the practice of imposing a cut in the price of foodgrains delivered by the ryots after the due date has been in vogue since 1944, the rate of reduction being Re. 1/- per mura in the case of rice and ragi and Re.0-8-0 per mura in the case of paddy. These rates were allowed to be continued in the district (vide Government Memo 28562-A/47-1,Food, dated 27-5-1947) though they are higher than the rates applicable to the other districts.

Point (6):-

In the districts of East Godavari, West Godavari and Kistna, the subordinate officials assumed the rates of reduction in price viz., six annas a maund in the case of paddy and millets and eight annas a maund in the case of rice as the maximum and on that assumption adopted for a tire varying rates of reduction at their discretion. When this came to the notice of the Board, the Collectors of these districts were informed that the rates fixed should be imposed without any differentiation and the instructions are now being followed.

The Board invites the attention of the Government to their Memo No.28562-A/47-1, Food, dated 27-5-1947 wherein the rates of reduction for deliveries of foodgrains after the due date have been fixed for all districts. No distinction was made as regards the rates of penalty to be adopted (1) for late deliveries of foodgrains and (ii) for requisitioned stocks.

K.R.Srinivasan
for JOINT SECRETARY. 12/12/48

To
The Secretary to Government,Food Department,Madras.

NAG/12-11-1948.

Food (A I)

A.S.
Please see the Bds' interim report at P. 49 ante 51-52 ante w.r.t. the Govt Memo at P. 49 ante. The receipt of the further report promised at A on P. 51 ante may be awaited till 10-12-48

26/11/48

26.11.48

BOARD OF REVENUE(CIVIL SUPPLIES).
Abstract.

PROCUREMENT--Foodgrains--South Kanara district--Imposition of penalties for late deliveries--Amount collected--Revised report in respect of Coimbatore district--Submitted.

****

BOARD'S REF.NO.57674,UII/47-27(CS) D/28.2.1949.

ASSISTANT SECRETARY 3 MAR 1949 FOOD DEPARTMENT

FROM.

V.S. HEJMADI ESQ., I.C.S.,
COMMISSIONER OF CIVIL SUPPLIES.

8915

Sri K. Subba Rao, B.A.,
Joint Secretary to the Commissioner
Of Civil Supplies.

Ref: 1)Government Memorandum No.30055-A/47-15,Food dated 26.10.48.
2)Board's Ref.No.57674,UII/47-21,Food dated 12.11.48.
3)From the Collector of Coimbatore, L.Dis.17516/48-L.5. dated 11.2.1949.

With reference to the point(2) of its reference second cited, the Board submits that the Collector of Coimbatore has since reported that the correct amount of savings effected in the district is Rs.1864-5-0 according to the monthly reports already submitted by him. A copy of the revised statement furnished by the Collector showing the particulars of the savings effected under each of the heads is submitted for information.

2. The Board requests early orders in the matter.

A.S.
May be added to the main file
Food (A)
Orders to H.M. (Food) & H.Or on 26.2.49
8/3/49

K. Srinivasan
For Joint Secretary. 2/3/49

9/3/49

To
The Secretary to Government, Food Department, Fort St. George, Madras.
(with enclosure)
S.R. 1.3

Copy of Letter No.L.Dis.No.17516/48-L5, dated 11.2.49 From the Collector of Coimbatore addressed to the Secretary to the Commissioner of Civil Supplies, Madras. ---

L.Dis.17516/48-L5. Dated 11.2.1949.

Sub: Procurement--Foodgrains--Coimbatore District--Imposition of penalties--for late deliveries--Amount--Collected -- Reconciliation--Report-- Submitted--
Ref: Board's Ref.No.57674/UII/47(CS) dated 12-11-48 and 5.2.49.

The sum of Rs.1864-5-0 reported in this office CS7-4/48 dated 20-1-48 for December 1947 is the correct figure. The sum of Rs.1810-14-3 reported in this office L.Dis.8749/48 dated 19-7-48 is not correct as it was based on the wrong reports of the Taluk Supply Officers of Kollegal and Udumalpet. The correct figure is now furnished in the form given in Board's ref.57674-U II/47-12(CS) dated 26-6-48.

Sd. F.W.A. Morris.
Collector.

/True Copy/

Superintendent

District.	Taluk.	Penalty for late submission of Foodgrains to Government Procuring Agents.		Payment of reduced prices for surrendered stocks.		Owner's (year with details for the amounts shown).	
		Rate of Penalty.	Amount credited to Govt. account of the penalty from date of introduction of rationing controls up to 20.6.48.	Rate of Reduction in Prices.	Amount credited to Govt. on account to reduction in requisition prices from date of introduction of control to 30-6-48.	Col.3.	Col. 5.
(1)	(	(2)	(3)	(4)	(5)	(6)	(7)
1. Avanashi	-	-	--	Paddy & Millets 22-14-0 (Paddy) 0-6-0		-	-
2. Bhavani	-	-	--	-	-	--	(1947-48)
3. Coimbatore.	-	-	--	(Paddy & Millets 59-12-6 (Paddy) 0-6-0		--	(1942 onwards)
4. Dharapuram.							
5. Erode.	-	-	--	--	---	--	-
6. Gobi	-	-	--	----	---	--	-
7. Kollegal.	-	-	--	Paddy-0-6-0 Rice 0-8-0 Millets.0-6-0	120--8--0 22--14--0 148--2---6	--	(1947-48).
8. Palladam	-	-	--	--	--	--	--
9. Pollachi	-	-	--	--	--	--	--
10. Walpt.	Rice 0-8-0 [illegible] -0 [illegible] -0	Rs. 2-10-0 207-6-0 [illegible] 9-6	Total 9[illegible]-0-0	--		(1947-48)	--
					98[illegible]-0	--	--

Rs. 913-3 [illegible]
134
Supervisor

Government of Madras.
Food Department.

NOTE FOR THE CABINET MEETING ON 22/6/1949.

The proposals in this Note relate to the utilisation of

(1) the accumulated amounts earned by the South Kanara Central Co-operative Wholesale Stores during fasli years 1944-45 to 1946-47 by way of short payments by the imposition of a cut of Re.1/- per mura of rice and eight annas per mura of paddy for late deliveries of foodgrains by the producers in the district of South Kanara,

and(2) the excess collections made by the Producers cum Consumer Co-operative Societies in Ponnani taluk of Malabar district during the year 1947-48 due to the wrong fixation of prices by the Taluk Supply Officer, Ponnani.

The facts relating to Items (1) and (2) above are briefly set out in paras 2 and 3 below:-

Para (2). South Kanara district. With a view to speed up procurement and accelerate deliveries of paddy and rice, the Collector of South Kanara authorised the South Kanara Central Co-operative Wholesale Stores to make short payments of Re.1/- less per mura of rice and annas eight per mura of paddy in respect of deliveries made by the ryots after the due dates notified by him during the fasli years 1944-45, 1945-46 and 1946-47. The short payments made during these years were as shown below:-

Item 1.	Fasli year 1944-45	..	67,683-0-0
Item 2.	Fasli years 1945-46 and 1946-47 and from 1-7-47 to 24-7-47.	..	1,78,702-7-0 *

* Revised figure showing actual collection.
The amount as originally estimated by the Collector Was Rs.250,000.

Item 1 above:- The Collector of South Kanara recommended and the Board endorsed the Collector's recommendation that the amount of Rs.67,683/- might be given to the South Kanara Central Co-operative Wholesale Stores as a set off against the loss of Rs.91,642-0-0 incurred by the Stores on the transport charges for the movement of stocks within the district. It was, however, decided in circulation that there was no case for the payment of the amount to the Stores. This Department, however, pressed for a reconsideration of the orders and suggested that the amount in question might be given to the Stores as an ex-gratia grant as was done in the case of the Triplicane Urban Co-operative Society. The Finance Department, however pointed out that the case of the South Kanara Co-operative Stores could not be treated as being analogous to that of the Triplicane Urban Co-operative Society as the services rendered by them related to ordinary rationing as distinct from war-time distribution maintained by the Triplicane Urban Co-operative Society. Subsequently, the Board of Revenue (Civil Supplies) itself withdrew its recommendation and suggested that the amount might be credited to the Government. In the circumstances definite orders were requested in circulation on this point on 2-2-48 and again on 23-2-48 but no orders have been passed on this point till now.

Finance Department have since noted that the following points require prominent mention as arguments for crediting the amount in question to the Government:

(1) Although the Stores have incurred a loss of Rs.91,642-0-0 towards transport, they have gained a net profit of Rs.25,942-0-0 on their entire transactions for the year 1944-45.

(2) Under the present policy of the Government, Government help should be given only where a Co-operative Society has incurred a loss on the whole in a year and where the financial position of the society is such that help from the Government is necessary.

Item (2) above:-

The South Kanara District Food Committee in a resolution passed on 26-2-47 recommended that the amount of Rs.2,50,000-0-0 as originally estimated by the Collector in question might be utilised for the following purposes:-

(1) Rs.25,000 for supply of improved variety of paddy seed for agriculturists.

(2) Rs.75,000 for starting a cattle breeding station in the district.

(3) Rs.1,50,000 for opening a Tuberculosis Hospital in the district.

The Collector of South Kanara recommended the acceptance of the above proposals and the Board endorsed the Collector's recommendation.

The previous Hon'ble Minister for Food (Dr.T.S.S.Rajam) and Hon'ble Minister for Public Health (Sri.A.B.Shetty) also suggested that the amount in question should be utilised for some public utility concern. Development and Education and Public Health Departments also agreed to the proposals and suggested that the concerned Heads of Departments, Director of Veterinary Services and Director of Agriculture might be consulted in respect of items 1 and 2 above. As the Board reported that short payments for late deliveries of paddy and rice were being made in other districts also besides South Kanara, Finance Department considered that any discrimination shown in favour of South Kanara might create a sense of grievance in the other districts, that the savings accruing from such short payments were nothing compared to the huge sums spent by the Government on subsidies, transport etc. for the distribution of foodgrains in the deficit districts and that, if the Government agree to the present proposal in respect of South Kanara district this would lead to similar claims from other districts also. In these circumstances and, as the Board itself subsequently withdrew its original recommendation, Finance Department suggested that the accumulated amount of Rs.1,78,702-7-0 collected in South Kanara district might be credited to the Government.

Hon'ble Minister for Public Health (Sri.A.B.Shetty) pressed for the acceptance of the proposals for the reasons stated in his minute extracted below:-

" I regret that the salient points in support of the proposal to utilise the rice penalty amount collected in South Kanara district for measures of public utility in that district have totally been ignored in the above discussions. They are:-

(1) The penalty levied in South Kanara district was Re.1/- per mura of rice and annas eight per mura of paddy which is double the amount of penalty of annas eight per maund of rice and annas six per maund of paddy levied in other districts.

(2) Penalty at the above high rate was levied in South Kanara since the inception of procurement in that district in 1944, whereas this penalty was levied in other districts only from May 1947 and that too at the reduced rate of annas eight per maund of rice and annas six per maund of paddy. The Board reports that short payment on account of late deliveries of paddy and rice by producers was not made in other districts in the previous years.

(3) The amount proposed to be diverted for items of public utility in South Kanara relates to the savings for 1945-46 and 1946-47, whereas the amounts of penalty collected in other districts which have been credited to the general revenues pertain to the period from May 1947 onwards.

(4) As stated at 'X' on pp. 13-14 ante. the system followed in South Kanara was different from which has resulted in a saving of such a large amount of penalty, in that district.

(5) Even during the 5 months viz., May to September 1947 for which figures have been furnished by the Board, the penalty collected in South Kanara alone is Rs.2,564/- while the total amount collected in all the other districts during the period is only Rs.6,196/- This shows that the penalty was not strictly imposed in the other districts as it was done in South Kanara.

(6) As regards the point raised by Finance that Government have incurred expenditure in the supply of foodgrains, it should be remembered that the amount spent in South Kanara on this account is not more than what has been spent in any other district especially because the Food Secretary has pointed out in another file recently that South Kanara is a self-sufficient district.

All the above facts show, without the least doubt, that the case of South Kanara is quite different from that of the other districts which calls for a special treatment. I have no objection to credit to the general revenues the amount of penalty collected in South Kanara after May 1947, as it has been done in the case of other districts. But there is no ground at all for following the same procedure in the case of the penalty amount collected in 1945-46 and 1946-47, when such penalty was levied only in South Kanara. The request of the District Food Committee, South Kanara is just and proper and should be complied with without any further delay. Hon'ble Minister for Food may please see again".

A.B.S.
4/2/1948. "

Finance Department, however adhered to their original view that there was no case for the allotment of the accumulated amount exclusively for the benefit of South Kanara district and that it should be credited to the Government. Finance Secretary's views made in this connection are extracted below:-

" I do not think that we need go as far as the general principle, viz., the expenditure in a particular area is not correlated to the revenue derived from it or vice versa for administrative purposes, to come to the

conclusion that the present proposal should be negatived. Confining ourselves to the problem of food I think that the Food Department will agree that keeping the population fed during the last few years has been dealt with as a single provincial problem. For instance, in a heavily deficit district we did not charge to the people anything corresponding to the actual cost involved in maintaining supplies to the district, but we only charged a price corresponding to what it would have been, if supplies had come from the normal pre-war sources. Similarly, we did not allow the heavily surplus districts to derive the full advantage of their position, but required stocks to be sold to Government at specified prices. That being so, I do not think that the fact that in particular district the Government may not have spent as much on Civil Supplies as in other districts or the circumstance that in that district certain control measures may have been administered more strictly or for a longer period than in other districts can be urged as a reason for special treatment to that district so far as funds relating to food administration are concerned. There would be no end to the kinds of special claims that could be advanced, if we started enquiring whether we would not have spent more on certain food transactions in a district, if a procedure different from the one that was actually adopted had been followed. Food is a provincial problem and there should be no question of working out a balance sheet for each district or for any particular district. Finance must therefore adhere to the view that any schemes for the benefit of South Kanara district can be considered only on their own merits with reference to the general financial position of the Government and that the funds referred to in this file should not be treated as a "windfall" for which this district has some sort of a special claim".

T.N.S.R.
11/2/1948.

Hon'ble Minister for Food (Dr.Rajan) after discussing the matter with the previous Hon'ble Premier minuted that Hon'ble Premier did not accept the arguments of Hon'ble Minister for Public Health (Sri.A.B. Shetty) on the ground that such claims, if once allowed, would bring in any amount of consequent difficulties and embarassment to the Government and that he did not see any way except to credit the sum to the Government. But Hon'ble Minister for Public Health (Sri.A.B. Shetty) pressed for a reconsideration of the matter on the ground that the amount collected in South Kanara district was disproportionately larger than that collected in the other districts, that the rates of levy were also higher than what they were in other districts and that the people of the district would naturally feel that the amount which had been collected from them should be allowed to be utilised for some public purpose and should not be appropriated to public revenues. As ordered by the previous Hon'ble Premier particulars relating to the rates of levy and the amounts collected in each district were called for from the Collectors and submitted in a statement form, a copy of which is enclosed. It was observed from the statement that the total amount collected from South Kanara district alone from 1944 to the end of December 1947 was Rs.2,83,479-10-6 as against the total amount of Rs.98,261-11-10 collected for all the other districts. The entire amount of Rs.98,261-11-10 has been credited to the Government. Out of the amount of Rs.283,479-10-6 collected during 25-7-47 to 31-12-47 has been credited to the Government and the balance of Rs.246,385-7-0 is held in deposit with the Stores as per the details shown, pending a decision on the proposals discussed in this para.

		Rs.	A.	P.
1. Fasli year 1944-45 ...		67,683	0	0
2. Fasli year 1945-46 and from 1-7-46 to 24-7-47.		1,78,702-	7	0
	Total ...	2,46,385	7	0

Item (1) represents the amount proposed to be credited to the Government instead of allotting to the Stores to compensate the loss on account of transport charges. Item (2) represents the amount available for utilisation for public purpose in South Kanara district such as those mentioned at 'M' on pp. 2-3 ante, as against Rs. ~~2x50x0000~~ 2,50,000 originally estimated to be collected by the Collector. In view of the facts that all the amounts collected in ~~kkk~~ districts other than South Kanara have been credited to the Government, and, as a different method cannot in fairness be followed in South Kanara district, and as the expenditure on account of food subsidy has been growing enormously, it was again decided in circulation to Hon'ble Minister for Food (Dr.Rajan) and previous Hon'ble Premier that the amount in question should not be earmarked for public purposes but should be credited to the Government. The minute of Hon'ble Minister for Food in this connection is extracted below:-

" Since the precedent of taking these surplus amounts back to the Government account has been followed in all the other districts, we cannot in fairness adopt a different method in South Kanara. In view of the fact that the food subsidy and expenditure on food account are growing up enormously with regard to our budget provisions we cannot earmark this amount from South Kanara for any other purpose. Personally I feel it is only just and proper that the Government should take back this amount to the credit of Government and the proposal to make it a fund for Tuberculosis relief in South Kanara cannot be accepted. Besides the fund of that nature has to be collected from donors on that account only and not by taking away profits made by the sale of foodgrains which really belongs to the Food Administration and in the interests of general administration it must go back to Government. It may be some compensation to the heavy losses which the Government have got to bear on the Food account.

T.S.S.R.
28/2/49

O.P.R.
21/3/49.

Hon'ble Minister for Public Health (Sri.A.B.Shetty) thereon suggested that the matter might be placed before the Council of Ministers for consideration. This suggestion was approved by Hon'ble Minister for Food (Dr.Rajan), Hon'ble Minister for Finance and present Hon'ble Premier.

Para 3. Malabar District:-

A more or less identical case has come up to Government for consideration in Malabar district. The facts of the case are as follows:-

The Taluk Supply Officer, Ponnani had wrongly allowed an additional surcharge of 2 annas per maund in fixing the release price of imported rice received from 21-8-47 when the surcharge had already been included in the F.O.R. price. This ~~Index~~ surcharge of 2 annas is intended to cover administrative charges and unforeseen losses in the transit of foodgrains. The Taluk Supply Officer had also wrongly allowed an additional surcharge of 2 rupees per maund of rice received after 6-12-~~47~~47 while the orders were to collect the additional surcharge of the stocks held on 6-12-47 only. This surcharge of Rs.2/- per maund represents the difference between the old prices and new prices which came into effect from 7-12-47. As a consequence, of this wrong fixation of prices the Producers cum Consumer Co-operative Societies in Ponnani taluk

have made a total excess collection of Rs.6,14,166-2-3.

As the Producer cum Consumer Co-operative Societies were not entitled to this excess collection realised from the card-holders who purchased their ration from the shops run by these Societies, the Collector of Malabar ordered in his proceedings dated 8-7-48 that the excess amount thus realised should be passed on to the consumers by depressing the retail selling prices of rice by two annas per Edangali in the ration shops run by the Producer cum Consumer Co-operative Societies for such period until the excess collections made by them are wiped out. On this the President, Nattika Producer cum consumer Co-operative Society submitted a telegram protesting against the procedure. The Collector of Malabar explaining the circumstances under which the excess collection had accrued as stated above suggested that the excess amount may be either passed on to the consumers or earmarked for public amenities viz., high school or hospital or improvement in roads or utilised for payment of subsidy in the State Trading Schemes. He also stated that pending the receipt of orders he had kept in abeyance his proceedings dated 8-7-48 referred to above. The Board of Revenue (Civil Supplies) has, however, recommended that the excess amount should be credited to the Government. The Government accepted the Board's recommendation and also asked the Collector to take suitable action against the Taluk Supply Officer Ponnani for wrong fixation of price. The Producer cum consumer Co-operative Societies concerned protested against these orders and represented to the Government, that the excess amount should either be passed on to consumers by suitably reducing the retail prices or utilised for some public purpose and that the Government are not justified in appropriating the amount to themselves. Hon'ble Minister for Law (Sri. Madhava Menon) also has strongly expressed that it is not fair for the Government to appropriate the amount collected from the consumers by mistake and that in all fairness it should be utilised in the area concerned (Ponnani Taluk) for some public purpose, say, for the construction of a bridge. He wants the whole question to be re-examined for the reasons stated in his minutes extracted below:-

" I want a reconsiddration of the whole matter. It is absolutely wrong and unfair for Government to take the excess money collected from the consumers. It must really be repaid to the consumers from whom it has been wrongfully collected. I feel it illegal also for the Government to "confiscate" the amount. The position is this:-

(1) By a wrong order of the Taluk Supply Officer, Ponnani, the 5 societies in question collected an excess sum of 2 annas a maund from the consumers by adding it on to the price.

(2) This was collected from 21-3-48 to 30-6-48.

(3) The excess amounts to a total of over 6 lakhs. It is not practicable to refund it to the consumer, they being in thousands. But that does not mean that Government can take it. So the money should be spent in that area for some public purpose. The societies are willing for that. They say that the money may be spent for a bridge there which would cost that amount. It may be done like that.

K.M.
30/3 "

The present case of Malabar is identical with the case referred to in item (2) in para 2 above relating to the utilisation of the late penalty amount of Rs.1,78,702-7-0 as in both

cases the accumulation of the funds was due to consumers being charged higher prices, though the collection of higher prices was authorised in respect of South Kanara but unauthorised in the case of Malabar. It has therefore been proposed with the concurrence of Development and Finance Departments and the approval in circulation to Hon'ble Minister for Food, Hon'ble Minister for Finance, Hon'ble Minister for Law and Hon'ble Premier to place this matter also before the Cabinet. Hon'ble Minister for Finance while agreeing to this, minuted as follows:-

" May be referred. Perhaps may be spent for local purposes".

B.G.R.
21/5/49 "

Para 4. Finance department have since noted that the the following points also may also be urged as an argument for crediting the amounts in question to the Government.

In respect of famine prevention measures taken by the Government in the year 1946 the Government have incurred a total expenditure of about Rs.3.494 crores and that the Government of India whom should have borne half of the expenditure have declined to meet their share of the expenditure and that the Provincial Government have to bear the extra liability of about Rs.1,747 crores.

Para 5. Orders of the Cabinet are therefore solicited on the following proposals:-

(1) whether the rice penalty amount of Rs.67,683/- collected in the South Kanara district during 1944-45 may be credited to the Government, instead of allotting it to the South Kanara Central Co-operative Stores to compensate the loss incurred by them on transport charges,

(2) whether the accumulated late penalty amount of Rs.1,78,702-7-0 collected in South Kanara district during the years 1945-46 and 1946-47 may be credited to the Government as recommended by the Finance Department and the previous Hon'ble Premier or whether it should be utilised for public purposes in the district as recommended by the South Kanara district Food Committee.

and (3) whether the excess amount of Rs.6,14,166-2-3 collected during 1947-48 by the Producer cum consumer Co-operative Socities in Ponnani taluk of Malabar district due to the wrong fixation of prices by the Taluk Supply Officer, Ponnani should be credited to the Government as recommended by the Board of Revenue (Civil Supplies)

or

whether the amount should be utilised for some public purpose such as the construction of a bridge in that place.

J.L.P. ROCHE VICTORIA,
15/6/49
MINISTER FOR FOOD.

Circulated to:

Ksn.16/6. 16/6/49

CONFIDENTIAL.

24751

GOVERNMENT OF MADRAS

Meeting of the Council of Ministers held at Fort St. George, Madras on Wednesday the 22nd June, 1949 at 5 P.M.

The Hon'ble the Premier Presided.

PRESENT:--The Hon'ble Dr. T.S.S. Rajan.
The Hon'ble Sri M. Bhaktavatsalam.
The Hon'ble Sri B. Gopala Reddi.
The Hon'ble Sri K. Madhava Menon.
The Hon'ble Sri H. Sitarama Reddi.
The Hon'ble Sri A.B. Shetty.
The Hon'ble Sri K. Chandramouli.
The Hon'ble Sri B. Parameswaran.
The Hon'ble Sri N. Sanjeva Reddi.
The Hon'ble Sri C. Perumalswami Reddi.
The Hon'ble Sri J.L.P. Roche Victoria.

AGENDA. 1. Procurement - Foodgrains - Penalty amounts Collected during the years 1944--45, 1945--46 and 1946-47 due to late delivery of foodgrains by the South Kanara Central Stores, Ltd., in South Kanara district and the excess collections made by the Producer cum Consumer Co-operative Societies in Ponnani Taluk in Malabar district due to the wrong fixation of prices by the Taluk Supply Officer, Ponnani - Utilisation of-Proposals.

ORDER:--

The following decisions were reached:--

(1)As regards the amounts collected in South Kanara District, it was decided that one half of the total, i.e., half of Rs. 67,683/- plus Rs.1,78,702--7--0 be given as a grant towards capital expenditure on the T.B. Sanatorium in the district: and

(2) As regards the excess amounts collected by the Societies in the Ponnani Taluk of the Malabar District, the amounts should be realised from the Societies and utilised towards the construction of a bridge at the place.

K.R.M.
23.6.49

P.S. Kumaraswamy Raja.
Premier.

/ True copy /

RLR.25/6/49

Superintendent.

25/6
27/6/49

Board of Revenue (Civil Supplies)

Subject:-- Procurement and distribution - Foodgrains South Kanara District - S.K.C.C.W.Stores Ltd - Loss on transport charges - Reimbursement - Collector's proposals submitted.

No.2949-U II/46-3 Dated 18th November 46.

From

A.R.C.Westlake, Esq., C.I.E., I.C.S
Commissioner of Civil Supplies.

---oOo---

R.C.C.Hunt, Esq., I.C.S.,
Secretary to the Commissioner of
Civil Supplies.

---oOo---

p.3 below
p.4 below
30312R on
p.4 below

READ:- 1) From the Collector of South Kanara Reference W7.5971-46 dated 12/8/1946.
2) From the Collector of South Kanara Reference W7.5971-46 dated 26.9.46.
3) From the Collector of South Kanara Reference W7.5971-46 dated 2.11.46.

---oOo---

The Board submits herewith for the orders of Government copies of the reports read above with the following remarks:--

2) The Collector of South Kanara in his letter Ref.W7-7148/45 dated 20/9/45 (copy enclosed) reported that the South Kanara Central Co-operative Stores (wholesale procuring agent for the whole of South Kanara Dt) suffered a loss of Rs.91,641--12--0 for the year ending June 45 as the margin allowed to cover transport charges for movement of stocks was not adequate and recommended that he might be permitted to adjust the amount of Rs.67,683/- earned on behalf of Government by short payments made in respect of rice and paddy delivered by producers after the due dates, towards the loss incurred by the stores on transport charges. The Collector was then asked to examine the question after the audited balance sheets of the Stores for the corresponding period was available and to address the Board again if he considered that the adjustment proposed was necessary.

3) The Collector has now renewed his proposals. He states that the stores has been running efficiently keeping the margin of profit and overheads at a low level, that though the stores has earned a net profit of Rs.25,940--4--0, admitting the payment of a dividend, the balance left over is quite insufficient to make reasonable contributions to the various reserve funds etc, that the sum of Rs.91,641-12-0 represents only conveyance charges plus loading and unloading charges at both ends and no other charges and that the figures were derived from the audited accounts. He has recommended that the loss incurred by the Stores may be met from the savings of Rs.67,683/- accrued to Government by way of short payments for deliveries of paddy and rice made after the due dates fixed for the delivery. The Board recommends the Collector's proposals.

4) Copies of (i) Collectors Letter Ac.No.W7.7148/45 dated 20/9/45, (ii) profit and loss account of the stores for the year ending 1945, (iii) balance sheet of the stores as on 30th June 1945 (iv) Board's references No.2949-U II/46 dated 4/9/1946 and 14/10/1946 are enclosed herewith for reference.

K.R.Srinivasan
for SECRETARY. 20/11

TO:-

THE SECRETARY TO GOVERNMENT, FOOD DEPARTMENT,
FORT ST.GEORGE, M A D R A S.

R.R.I/11 (with enclosures).

Copy of letter No.W7-5971/46 dated 18/8/46 from the Collector of South Kanara, Mangalore to the Secretary to the Commissioner of Civil Supplies, Madras.

Sir,

Subject:- Civil Supplies - Rice andpaddy - Procurement Distribution S.K.C.C.W.Stores, Ltd - Loss in transport charges - Reimbursement.

--

Reference:-- 1) This office Ref. W7-7148-45 dated 20/9/45.
2) Board's L.+Dis.3116-M1-45 CS dt.1?/12/45.

--

I invite the board's attention to the office reference cited above in which certain recommendations were made for the adjustment of Rs.67683 being the amount short paid for late deliveries in 1944-45, towards the loss sustained by the S.K.C.C.W.Stores Ltd., Mangalore under transport charges and to the second cited, in which fresh proposals were called for after the audited balance sheet of the stores was available.

2. I have now received the audited balance sheet of the stores for 1944-45 copy enclosed). It shows that the working capital stood at Rs.5464155/- on 30/6/45; the sales during the year amounted to Rs.179,46,811; the paid up capital amounted to Rs.2,41,000. The net profit for the year on these gigantic transactions was only Rs.25940-14-0 after deducting Rs.67683 referred to above, held in suspense.

3. This net profit of Rs.25940-14-0 is far too meagre a return for the considerable amount of capital invested and time and labour spent on the huge transactions carried over the whole district and the risks involved. Although, normally the stores had agreed upon a fixed profit per mure, they had taken the rough with the smooth in the contract and is not fair to ask for reimbursement of any loss sustained under a particular head, particularly when it had on the whole made a profit, but in this case, the loss sustained on the transport side was not normal and was beyond the control of the stores. It was sustained in the course of normal movements of supplies but on account of the internal movements from almost every surplus area to every deficit within the entire district, due to late arrival of imports, a contingency which could not be foreseen when the rate of fixed remuneration for transport was fixed and agreed upon.

4. I enclose a copy of the President's dated 15/6/46 in which he has made a clear case for reimbursement of Rs.91341-2-0 sustained by the stores on transports by them of Rs.67683/- the amount short paid for late deliveries and the grant of a subsidy for the balance. I have discussed the matter with the President and convinced him that there is no case to ask for a subsidy and he has agreed. As regards the adjustment of the amount held in suspense, there is much force in the stores asking for it. Though the net profit of Rs.25940-14-0 admits of payment of a dividend of 6% that remains after payment of dividend is quite inadequate to meet reasonable contributions to the workmen's reserve fund, provision of bonus to the staff, rebate to purchasers etc - matters provided for in the bye-laws. The stores has been managed economically and it must be said to its credit that it has kept the establishment and overheads at a low level. In arriving the true income various amounts for expenditure on buildings, depreciation, etc., and the risks involved, it is quite reasonable that the stores should make provision for reserve funds and the like so that the stores may continue to maintain and the public may continue to have confidence in its financial stability. With the amount of Rs.67683/- to make the loss, the net profit of the stores will be Rs.93626-14-0 which will be a reasonable profit for the stores carrying its huge transactions and liabilities.

5. I therefore, recommend that the Board be pleased to permit the adjustment of Rs.67683/- out of the payments for late deliveries of stocks by producers in the year to make the loss sustained by the stores under transport

(True Copy).

	Rice.	Paddy.
In December 1944.	2164 muras	5644 muras.
In January 1945	13736 muras	1278 muras.
In February 1945	9952 muras	19769 muras.
In March 1945	13910 muras	401 muras.
In April 1945	4981 muras	27 muras.
In May 1945	3095 muras	95 muras.
In June 1945	10085 muras	2976 muras
Total:-	55813 muras	28740 muras

Difference in prices at Re.1/- per mura of rice.	55813	0 0
-do- at Re.1/- per mura of paddy	11870	0 0
Total	Rs. 67683	0 0

2. Between the period from 1/12/44 to 30/6/45 when the margin was raised from 6 annas to 8 annas per mura, 5,43,710 muras of rice and 1,78,455 muras of paddy were moved, involving a total expenditure of Rs.2,46,092--10--0 The sales in the same period in the District (including rationed areas) were 3,94,387 muras of rice and 3,80,259 muras of paddy. The income derived by the stores on the increase of 0-2-0 margin amounted Rs.1,07,439-8-0. Similarly when the margin was raised by 0/3/0 per mura of rice for sales in the Mangalore rationed area of stocks moved from other Taluks and 0/5/0 per mura of similar stocks sold in Kasaragod Taluk from 1/2/45 to 30/6/45, 102676 muras of rice (of non-Mangalore taluk) were sold in Mangalore rationed area and 73112 muras of rice and 31487 muras of paddy (of non-Kasaragod Taluk) in Kasaragod Taluk. The extra income derived on these sales was 19951-12-0 for Mangalore and Rs.27,750-8-0 for Kasaragod Taluk. So, the total income accrued to the stores (at 0/2/0 extra margin from 1/12/44 for the whole district and 0/3/0 for Mangalore Rationed area and 0/5/0 for Kasargod Taluk from 1/2/45) was Rs.1,54,450-14-0 as against an expenditure of Rs.2,46,092--10--0 resulting in a loss of Rs.91641-12-0 to the stores. This loss works out to about Re.0/2/4 per mura of rice released from 1/12/44 to 30/6/45. (True Copy)

Copy of No.77-5971-46 from Collector of S.K.Dt., Mangalore to the Secretary to the Commissioner of Civil Supplies, Madras.

Sir, Sub: Civil Supplies - Rice & Paddy - Procurement - S.Kanara District - S.K.C.C.T.Stores Ltd., Loss on transport charges - Reimbursement - Further report submitted.

Ref: Board's Ref.No.8949-V4-46-2 dt.14.10/46.

The total expenditure of Rs.2,46,092 and annas ten reported includes only actual conveyance charges plus loading ~~charges~~ and unloading charges at both ends and no other handling charges are included in it.

The figures reported in my Ref.C.No. 77-5971-46 dated 12/2/46 were derived from the audited accounts.

(True Copy)

Collector
20/11/46

Secretary to Government

STATEMENT NO.III

Profit and Loss Account for the year ending 1945.

LOSS			
1. Interest paid and due:-			
(a) paid	1,74,261 7 0		
ADD			
(b) Interest pending payment	3,527 11 0		
	1,77,789 2 0		
(C) Deduct-Interest pending payment at the end of the previous year	20,037 11 0		
Net amount	1,57,751 7 0	1,57,751 7 0	
2. Establishment and contingent charges paid and due.		3,60,555 6 0	
3. Assets written off as bad debts		8,660 13 0	
4. Miscellaneous items (Depreciation			
(Other items		11	
5. Provision for reserves		3,614 [illegible]	
6. Last year's loss		---	
		5,80,581 [illegible]	
7. Net profit (plus)	+	25,940 [illegible]	
		5,56,522 [illegible]	
Profit			
2. Gross profits as per trading account	4,82,803 5 0	4,82,803	
3. Miscellaneous income			
(i) amount realised.	62,729 14 0		
ADD			
(ii) amount pending recovery	4,385 2 0		
Total	67,115 0 0		
Deduct			
(iii)-Amount pending realisation at the end of the previous year	117 5 0		
	66,997 11 0	66,997 11	
Last year's reserve released		6,721 [illegible]	
Total,		5,56,522 10	
Note (1) net profit as per statement No.II.		25,940 14	
(2) Deduct profit included in the balance sheet but not available for distribution or			
(3) profits of previous years now made available for distribution.			
Net amount or total available for distribution as per profit and loss statement above.		25,940 14	
		25,940 14	

(True Copy).

Meerut
20/11/46
Secretary

[illegible] Profit
[illegible] Year [illegible].

Particulars:	Rs.	Rs.
1.Value of stock on hand at the beginning of the year.	Rs,[illegible]	[illegible]
2.Value of goods bought during the year less purchase returns	1,[illegible]	
3.Trade Charges		
(i) Carry account paid and due.	[illegible]-6-0	
(ii) Proceeds of manufacturing account, expenses paid and due.		
(iii) Sales tax paid & due.		
4.Amount due to Government for short payments made to parties for late delivery.	[illegible]-0-0	
Total	2,[illegible]-12-0	
plus gross profit	4,82,[illegible] 5-0	2,[illegible]--0

S.K.C.C.T. STORES, LTD.,
M A N G A L O R E (S.K.DT)

Balance sheet as on 30th June 1945.(Statt.No.II)

	At the end of the year.			At the beginning of the year.		
LIABILITIES						
1.Loans and deposits:-						
(a) members:-						
(i) Fixed Deposits						
Short Term	-	64,600-0-0				
Long Term	-	---				
(ii) Trade Deposits	-					
(iii) Provident Deposits for staff						
(iv) Security deposits from staff		2,000-0-0				
(v) Others		---				
(b) Non-members						
(i) Fixed Deposits						
Short Term		71,432-8-0				
Long Term						
(ii) Provident Fund for staff.		---				
(iii) Security deposits from staff		59,425-0-0			2,250	0 0
(c) Central Bank (Cash credits)		50,22,681-11-0			20,82,419	5 0
2.Share Capital.		2,07,500--0-0			1,22,650	0 0
3.Interest due.		3,527 --11-0			20,037	11 0
4.Processing & Manufacturing accounts expenses pending payment.		NIL				
5.Establishment & Contingent charges due.		60,669-13-0			15,232	5 0

P.T.O.

	At the end of the year	At the beginning year
5. Other items.		
(i) Sales tax due.	40,039 0 0	27,775 1 0
(ii) Bills pending	5,98,420 3 0	26,272 12 0
(iii) Adjusting heads.		
(a)	71,727 6 0	3,03,722 7 0
(b)	9,294 7 0	
(c) Reserve for Haleangady depot	3,614-0-0	
(d) Other reserve	1,000 0 0	
(e) Amount due to Govt. towards short payment made to ryots for late delivery	67,683 0 0	₹ 7,721 10 0
7. Undisbursed profit of previous years.		
(i) Bonus to staff.	709 8 0	
(ii) Dividend	2,672 11 0	132 7 0
(iii) Common good fund	4,870 0 0	
(iv) Bonus or rebate on purchase by members.	19,588 7 0	
(v) Price fluctuation Fund or businesses losses reserve	10,000 0 0	
(vi) Dividend equalisation fund	11,373 12 0	
(vii) Building fund	--	
(viii) Bad Debt reserve	5,000 0 0	
8. Reserve Fund		
Separately invested	65 2 0	63 13 0
Yet to be invested	36,450 11 0	56 2 0
Total liabilities	63,74,344 14 0	26,08,333 9 0
10. Net difference between assets and liabilities	25,940 14 0	90,989 14 0

ASSETS

1. Cash		
(1) Or hand	1,58,431 5 0	33,922 3 0
(2) In Bank		
(i) Current Acct. in other banks.	462 7 0	498 14 0
(ii) -do- of Food Office	2,698 15 0	5 3 0
(iii) -do- General Deptt.	88,901 9 0	9,991 12 0
2. Other investments		
(1) Reserve fund:		
(a) In the Co-op. Central Bank.	65 2 0	63 13 0
(b) In the debenture of the Central Land Mortgage Bank.		
(c) In Defence bonds or N.S. Certificates		
(ii) Shares taken in the Co-operative Central Bank	2,00,000 0 0	1,00,000 0 0
(iii) Fire Insurance Society	100 0 0	100 0 0
5. Interest accrued on (credit sales) & investments.	--	
Miscellaneous income due	4,385 2 0	117 5 0
6. Other items:		
(i) Value of furniture and equipments less depreciation.	16,072 0 0	5,146-2-0
(ii) Value of lorries owned less depreciation	20,621 0 0	
Value of stock on hand-OwnGoods	51,90,314 15 0	19,02,323-4-0
8. Adjusting heads	7,18,203 4 0	6,47,155-0-0
9. Total assets.	64,00,285 12 0	26,99,323-7-0

Head Office, Mangalore.
Dt. 15.8.46.

Appropriations ... contd

50/24-1.

Pl. issue 24.1.47 Nil

Food (A)

Memo. No. 30312-A/46-2 dt. 24/1/47

Sub: Procurement and distribution - Foodgrains - S. Kanara Dt. - Loss on transport charges - Reimbursement to S. Kanara Central Co-op Wholesale Stores, Ltd. - Proposals.

Ref: From the Bd. of Rev. (CS), Ref. No. 29649-A II/46-3, dt. 18/11/46.

The Bd. of Rev. (CS) is requested to ~~report detail~~ submit a detailed report as to how the savings of Rs. 67,683/- accrued to Govt. and whether the Wholesale Stores has any claim for this amount. It has also been suggested that instead of paying the entire amount of ~~Rs. 67~~ this saving, to the Wholesale Stores an estimate may be made of what additional sum is necessary to enable the Stores to pay minimum reasonable dividend and minimum contributions to the reserve fund and the question ~~of whether~~ an ex-gratia payment of some comparatively ~~large~~ small amount to the Stores to make it possible to meet the minimum requirements may be considered. The Board is requested to offer its remarks on this suggestion.

10/2/47
To Bd. of Rev (CS)

24/1/47 [illegible] 23/1/47

ASSISTANT SECRETARY
10 APR 1947
FOOD DEPARTMENT

Board of Revenue(Civil Supplies)

Subject

PROCUREMENT and Distribution - Foodgrains - South Kanara district - South Kanara Central Cooperative Wholesale Stores Ltd. - loss on transport charges - Reimbursement - further report - submitted.

Ref-No.2949-UII/46-9 dated 8th April 1947.

From

C.H.Masterman Esq., C.S.I., C.I.E., I.C.S.,
Commissioner of Civil Supplies.
R.C.C.Hunt Esq., I.C.S.,
Secretary to the Commissioner of Civil Supplies.

Read: 1. Board's Reference No.2949-UII/46-3 dated 18-11-1946.
2. Government Memo.No.303/2-A/46-2 Food Department, dated 24-1-1947.
3. From the Collector of South Kanara Rc.C.No.W7-597/46 dated 13-3-1947.

Reference:

With reference to the Government Memo. cited the Board submits the following remarks on each of the points referred to in the Memo:-

21217

(1) Details as to how the savings of Rs.67683/- accrued to Government.

The Board in its proceedings No.7/45 Rt dated 2-1-1945 approved the proposal of the Collector of South Kanara to pay Re.1-C-C less per mura of rice and ReO-8-0 less per mura of paddy in respect of the deliveries made by ryots after the due dates specified by the Collector. It was a device to effect quick delivery. The sum of Rs.67683/- realised represents the short payments in respect of deliveries of 55813 muras of rice and 23740 muras of paddy made after the due dates. Full details as to how the savings accrued to Government are given in para 1 of the Collector's letter Rc.No.W7-5971/46 dated 26-9-1946, a copy of which was submitted to Government with the Board's ref rence first cited above.

(ii) Sustainability of the claim by the stores to the above sum..

The stores can have no legitimate claim to the sum of Rs. Rs.67683/- in question as it accrued to Government on short payments.

(iii) An estimate of an additional sum necessary to enable the Stores to pay minimum reasonable dividends and minimum contributions to the reserve fund.

Attention is in this connection invited to paras 2 to 4 of the letter from the President of the stores (copy enclosed). The President States that under by-law 40, relating to the appropriation of profits, it is obligatory to carry to the reserve fund 40% of the net profits and that no deficit in the minimum contributions to the reserve fund can ever occur.

As regards the minimum reasonable dividends the President states that 5% is the limit, and that as against the amount of Rs.10375/- at that percentage, a sum of Rs.8505-4-0 was actually paid.

The President is not therefore agreeable to any reduction in these items.

Estimates

estimates of an exgratia payment of a comparatively small amount to the stores to make it possible to meet these minimum requirements.

4. As regards this suggestion, the President of the Stores states that the society is not in need of any exgratia payment, that by raising this question, the claim has apparently been treated as a virtual application for charity and that the contribution for reserve fund and payment of dividends without recoupment of the loss (Rs.91641-12-0) should not be taken as the reasons for turning down the claim.

5. The Collector recommended the adjustment of the entire amount (Rs.67683/-) to the credit of the Stores for the reason that the stores had actually incurred a loss of Rs.[illegible]-12-0 towards conveyance charges etc. In the above circumstances the Board repeats its recommendation already made in its reference 1st cited above.

K Ramnivasan
for Secretary. 9/4/47

To the Secretary to Government, Food Department, Madras, with enclosure.

bga/[illegible]-4 9/4/47.

Copy of Ref.C.No.M.7-5971-46 dated 13-3-1947 from the Collector of South Kanara, Mangalore to the Secretary to the Commissioner of Civil Supplies, Madras.

Sub: Procurement - and distribution - Foodgrains - South Kanara district-loss on transfer charges - Reimbursement to the South Kanara Central Cooperative Wholesale Stores - suggestions - report submitted.

Ref: 1. Board's Ref.No.2949-[illegible]II-47-7 dated 30-1-1947.
2. Board's Ref.No.2949-[illegible]II-47-7 dated 20-2-1947.

With reference to the suggestions put forth by the Board the President S.K.C.C. Stores Ltd., was asked to furnish necessary particulars. A copy of the reply is submitted herewith for the consideration of the Board.

4/9/4. (True Copy)

Copy of letter Ref.No.K.C.971/45-F dated 21-2-1947 from the President South Kanara Central Cooperative Stores Ltd., Mangalore, to the Collector of South Kanara, Mangalore.

Sub: PROCUREMENT and distribution - Local Rice and paddy - transport charges -loss on - reimbursement to the Stores - Report on further particulars - called for.

Ref: Your Ref.C.M.7/5971/46 dated 22-2-1947.

I note with deep regret that the naive suggestion of the Board and the calling for further particulars is a prelude to turn down our rightful ~~claim~~ and just claim for reimbursement of the loss caused in transport charges in 1944-1945, first made on 22-8-1945 in my Ref. C.971/46-F. and renewed in my Ref.C.971/46-F. dated 15-6-1946. The responsible collectors - the first of them being a party to the enhancement of the commission rates to meet the transport charges - were convinced about the soundness and righteousness of our ~~claim~~ claim and recommended the set off of part of the claim of Rs.91,641-12-0 against the short-payment savings of Rs.67,383 held by the Stores as suspense liability on Government account. The Board has, to our misfortune, short-circuited the recommendations, treated the claim as a virtual application for charity and embarked on a side-track of investigation if we need and deserve any money at all. This has led curiously to an examination of our domestic affairs - whether and if so to what extent we need a pull up by "an ex-gratia payment of

payment of some comparatively small amount to make it possible to ... minimum xox requirements." This is a tragic disposal of our claim which has been standing over for consideration for such a length of time nearly getting stale. In answer to the present call for particulars an estimate of the additional sum necessary to pay (1) minimum reasonable dividend and (2) minimum contribution to the Reserve Fund, I submit straight away that we do not stand in need of any contribution at all for the two purposes or for any ex-gratia payment.

2. In para 3 of my Reference C.971/46-F dated 15-6-1946 under consideration I have reproduced our by law 40 relating to appropriation of profits which makes it obligatory to carry to reserve fund 40 p.c. of the net profits. It may be kindly noted that the prescribed minimum requirement is a percentage of the net profits and not a fixed lump sum. Hence no deficit in the minimum contribution to the reserve fund can ever occur.

3. Passing on to the point of "minimum reasonable dividend" I can only reiterate what is well known to every student and observer of the cooperative Movement in this country that one of its outstanding fundamental characteristics, in sharp contrast to joint stock companies and concerns, is the restriction on the dividend laid down both by statutory rules and in the by laws themselves of every registered co-operative society, fixing a maximum, with due regard to the standard of reasonableness. 5 p.c. is our limit (please vide para 3 of my letter of 15-6-1946). I take it that this will be readily conceded as reasonable.

4. The Government audited Balance sheet appended to my letter of 15th June 1946 shows a net profit of Rs.25,940-14-0 against a share capital of Rs.2107,500 By the simplest of arithmetical calculation it will be seen that the contribution to the Reserve Fund amounts to (at 40 p.c.) Rs.10,376-6-0 and dividend at 5 p.c. absorbs at best Rs.10,375/- actually we had to pay only Rs.8,505-4-0. These two points which have evoked the calling for an estimate could have been gathered almost at a glance from my letter of 15-6-1946 and a further reference is wholly redundant.

5. But because even without recoupment of the loss claimed, we were able to contribute both to the reserve fund and pay a dividend of 5 p.c. on capital, is our claim to be turned down? Has it no legs of its own to stand upon and is a decision of the claim on its own merits denied to us? Are we to be turned out of court by the logic of the Fable: "If you have lost in this, you have gained in another"? I appeal for a change of heart and attitude and beg for an unbiased decision on the merits of the claim.

Let me reiterate the claim and the grounds on which it is based. The margin of profit of 6 annas per mura (roughly one maund) does not cover transport charges from a surplus to a deficit centre which is a distinct and unconnected item altogether. An analysis of the component parts of the 6 annas margin is given below:-

Interest	Rs.0- 1- 6
Sales Tax	0- 1- 8
Storage	0- 0- 8
Handling	0- 0- 8
Insurance	0- 0- 6 → (Ex gratis)
	0- 5- 0
Establishment and contingencies	0- 1- 0
	0- 6- 0

6. It will be noticed that no provision at all is made for the inevitable and incidental shrinkage which has to be reckoned at one

at ~~one~~ one per cent~~o~~ or, an average. The establishment cost undoubtedly amounts to far more than one anna. The transport charges have to move on their own axis and cannot be ~~xxxxx~~ wedded to the 6 annas margin. Hence, in order to create a source from which it could be met, in the absence of any definite and reliable basis to determine the rate, a tentative rough and ready rate was arrived at to enhance the issue rate from all our depots by two annas with effect from 1-12-1944 and as it was found soon after that this was wholly inadequate, it was further enhanced by three annas on every mura of rice moved to the Mangalore mentioned area from other taluks and by five annas on every mura of rice moved to the deficit Kasaragod Taluk from other taluks with effect from 1-2-1945. The total proceeds from these two surcharges from the respective dates up to the end of the cooperative year (30-6-1945) amounted to Rs.1,54,50-14-0 against the total expenditure of Rs.2,46,092-10-0, resulting in a deficit of Rs.91,641-12-0. Details are given in my No.971/45-F dated 22-8-1945. These figures have been checked and verified by the Deputy Registrar and their correctness is beyond question or doubt. It is to make good this deficit that I made the claim. Our society should not be charged with the financial burdens of food administration and asked to foot the bill of cost. To make good the loss, I suggested that a portion may be set off against the savings of Rs.67,683 and a subsidy given for the balance.

If the Board hesitates to spend the entire amount of the savings for the purposes, the entire sum of Rs ~~xxxxx~~ such portion of it as the Board deems fit may be ordered to be set off and subsidy sanctioned for the balance. The amount at stake is too large to forego and put up with losing.

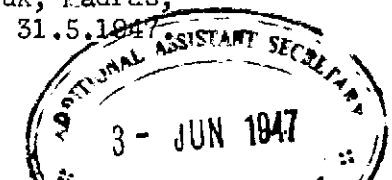
(True copy)

bga/8-4 9/4.

9447
Superintendent
Dy II Secty

D.C.No.2949-U.~~III~~II/47.

Board of Revenue (Civil Supplies)
Chepauk, Madras,
Dated 31.5.1947.



Dear Mr.Narasimhan,

Sub; Procurement and distribution--foodgrains--South Kanara district--S.K.C.C.W. Stores Ltd--Loss on transport charges--Reimbursement--orders requested.

Ref; 1. Board's Ref;No.2949-U.II/46-3, dated 18.11.46.
2. Government Memo.No.30312-A/46-2, dated 24.1.47.
3. Board's reference No.2949-U.II/46-9, dated 8.4.47.

++++ ++++ ++++

I am to invite your attention to the references cited above and to request that the orders of the Government in the matter may be obtained and communicated at an early date.

2. In this connection, I am directed to state that the Commissioner of Civil Supplies discussed the matter with the Collector of South Kanara during his recent tour in the district and considers that in view of the fact that the S.K.C.C.W Stores has been doing good work and has spent a lot on transport charges owing to difficulty in transport in the district, the Board's recommendations to meet the loss incurred by the stores from the savings accrued to Government by way of short payments, may be approved.

32995

Yours sincerely,

2.6.47.

To
C.V. Narasimhan, Esq.,I.C.S.,
Secretary to Government,
Food Department,
Fort St. George, Madras.

STATEMENT showing the amounts of penalty collected for
of foodgrains requisitioned in the districts

DISTRICT	Penalty for late deliveries of foodgrains to Government procuring agents		Payment of r requisitione
	Rate of Penalty.	Amount creditd to Government on account of the penalty from date of introduction of controls upto 30.6.48.	Rate of redu tion in ppic
1	2	3	4
1.Anantapur	Nil	Nil	@Rs.0.6.0 per Maund paddy or millets @Rs.0.8.0 per maund rice.
2. Bellary	Nil	Nil	Nil
3. Chingleput	Nil	Nil	@0.6.0per maund of
4. Chittoor	Nil	Nil	Nil
5. Coimbatore	@0.6.0 per maund of paddy ormillets @0.8.0 per maund of rice.	951-0-0	@0.6.0 per maund of or millets @0.8.0 per maund of
6. Cuddapah	Nil	Nil	@6.10.0 per pulti o
7. Guntur	@0.6.0 per maund	Rs.11990-5-3	@0.6.0 per maund of
8. Kurnool	Nil	Nil	Nil
9. Madura	Nil	Nil	@0.6.0 per maund
10.Nilgiris	Nil	Nil	Nil
11.Ramnad	Nil	Nil	@0.6.0 per maund of paddy or millets @0.8.0 per maund of
12.Salem	Nil	Nil	@Rs.0.6.0 per maund o paddy or millets
13.South Arcot	Nil	Nil	@0.6.0 per maund of
14.North Arcot	@0.6.0 per maund	Rs.10.8.0	@0.6.0 per maund of
15.South Kanara	@Rs.1.0.0 per mura of rice @Rs.0.8.0 per mura of paddy	37094.3.6	--
16.Tanjore	Nil	Nil	@0,6,0 per maund

te deliveries of foodgrains and short payments made for stocks

uced price for stocks.	Remarks	Furnish here yearwar details for the amount shown under		REMARKS
Amount credited to Government owing to reduction in requisition price from date of introduction of controls upto 30.6.1948.		Column-3	Column-5	
5		6	7	8
Rs.70-0-4		Nil	1946-47 Rs.45-6-9 1947-48 Rs.24-9-7 Rs.70-0-4 ✓	
Nil		Nil		Nil
Rs.246-15--0		Nil	1947=	Rs.246-15-0
Nil		Nil		Nil
Rs.859-14-3	1947-48	Rs.951-0-0	1947-48	Rs.859-14-3
Rs. 22-14-4			1948	Rs. 22-14-4
Rs.3948-8-9	1948-49	Rs1990-5-3	1946-47 - 3446-12-9 1947-48 501-12-0 3948-8-9	
Nil		Nil		Nil
Rs. 12-14-0		Nil	1947-48	12-14-0
Nil		Nil		Nil
Rs. 142--2-4		Nil	1948-	56-13-0
			1947	85-5-4
				142-2-4
Rs. 373-13-6		Nil	1946-47 1947-48	248-11-6 125--2-0 373-13-6
Rs.3168-0-6		Nil	1943 42-4-9 1944 1256-0-10 1945 1385-8- 5 1946 Nil 1947 214-5--0 1948 270-2--6 3168-0--6	
Rs. 65-11-2	1947- 10.8.0		1947 65.11.2	
--	25.7.47 to 31.12.47	37094.3.6		
Rs.55-14-9		Nil	29.3.48 1.5.48	31--8--0 24-6--9 55-14--9

1944-45 Rs. 67683-0-0
1945-46 127058-15-0
1946-47 51643-8-0
24.7.47 Rs 246385-7-0
Not credited to Govt

p.t.o.

1	2	3	4
17. Tinnevelly	@1.8.0 per Kottah	Rs.50--0--0	@0,6.0 per
18.Vizagapatam	Nil	Nil	Nil
19.West Godavari	@0.6.0 per maund	Rs.293-4-0	@0.6.0 @0.4.0 @0.3.0 @0.2.0 @0.1.0
20.Tiruchirapalli	Nil	Nil	Nil
		Total of Column 3 above Total of Column 5 above	
		Total	

DIS

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13.Sc

14.Ne

15.Sc

16.Ta

5	6		7	8
maund Rs.340--1--1	1947	50..0..0	1947	324-14--1
			1948	15--3--0
				340--1--1
Nil		Nil		Nil
2822-14--0	1948	293--4--0	1944	823--8--0
387--0--0			1945	161--4--0*
100-11--0			1946	--
358--9--0			1947	1207-13--0*
43--7--0			1948	1520--0--0
Rs.3712--9--0			Rs.	3712--9--0
Nil		Nil		Nil

*This relate to East Godavari Dt. This was collected when that Dt. was included in Tadepalligudem area.

Rs.50389--4--9
Rs.13019--7--0
Rs.63408-11--9

(True copy)

M Venkamaiah
Superintendent.

Statement showing the amounts of penalty collected for late deliveries of food grains and short payments made for stocks of foodgrains requisitioned in the Districts.

--oOo--

Districts.	Penalty for late deliveries of foodgrains to Government procuring agents.		Payment of reduced price for requisitioned stocks.		Remarks. Furnish here year war details for the amounts shown under	
	Rate of penalty.	Amount credited to Government on account of the penalty from date of introduction of controls upto 30-6-48.	Rate of reduction in price.	Amount credited to Govt. owing to reduction in Requisition prices from date of introduction of controls upto 30-6-48.	Column 3.	Column 5.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
East Godavari.	..	..	From 0-0-6 to Re.1-0-0 per bag.	Rs. 18,593 0 10	..	1946-47. 18380-7-10 1947-48. 212-9--0 Rs. 18593-0-10
Krishna.	0-6-0 per Md.	Rs. 20,015-13-6	0-1-0 per Md.	Rs. 103 8 0	1948 Rs. 20,015-13-6	46-47. 1897--4-0 47-48. 13019--4-0
			0-2-0 "	160 0 0		48 2998--3-0
			0-4-0 "	1,633 12 0		17914-11-0
			0-6-0 "	16,017 7 0		
				Rs. 17,914 11 0		
	TOTAL	20,015-13-6	..	36,507-11-10		

p.p/23-9-48.

24/9.

Superintendent.

STATEMENT showing the amounts of Penalty collected for late deliveries of foodgrains and short payments made for stocks of foodgrains requisitioned in the Nellore district

DISTRICT.	Penalty for late deliveries of foodgrains to Government procuring agents.		Payment of reduced prices for requisitioned stocks.		REMARKS Furnish here year-war details for the amounts shown under	
	Rate of penalty	Amount credited to Government on acct. of the Penalty from date of introduction of controls upto 30.6.48.	Rate of reduction in price	Amount credited to Govt. owing to reduction in requisition price from date of introduction of controls upto 30.6.48	Column 3	Column 5
(1)	(2)	(3)	(4)	(5)	(6)	(7)
NELLORE	...	...	Re. 0.6.0 per maund	Rs.15,370 3 6		1947-48 Rs. 34 3 2 1948-49 Rs.15336 0 4

Kitta161048. 84/161

STATEMENT showing the amounts of penalty collected for late delive
requisitioned in the dist

DISTRICT.	Penalty for late deliveries of food grains to Government procuring agents.		Payment of red requisitioned
	Rate of penalty.	Amount credited to Government on account of the penalty from date of introduction of controls upto 30-6-48.	Rate of reduction in price.
(1)	(2)	(3)	(4)
		Rs. a. p.	
1. Anantapur.	Nil	Nil	@Rs.0-6-0 per Maund of paddy or millets. @ Rs.0-8-0 per maund of rice.
2. Bellary.	Nil	Nil	Nil
3. Chingleput	Nil	Nil	@Rs.0-6-0 per Maund of
4. Chittoor.	Nil	Nil	Nil
5. Coimbatore	@Rs.0-6-0 per Maund of paddy or millets. @Rs.0-8-0 per Maund of rice.	951 0 0	@Rs.0-6-0 per Maund of paddy or millets. @Rs.0-8-0 per maund of
6. Cuddapah	Nil	Nil	@Rs.6-10-0 per putti of
7. Guntur	@Rs.0-6-0 per Maund	Rs.11990-5-3	@Rs.0-6-0 per Maund of
8. Kurnool	Nil	Nil	Nil
9. Madura	Nil	Nil	@Rs.0-6-0 per Maund.
10. Nilgiris.	Nil	Nil	Nil
11. Ramnad.	Nil	Nil	@Rs.0-6-0 per Maund of paddy or millets. @Rs.0-8-0 per maund of
12. Salem	Nil	Nil	@Rs.0-6-0 per Maund of paddy or millets.
13. South Arcot	Nil	Nil	@Rs.0-6-0 per maund of
14. North Arcot.	@Rs.0-6-0 per Maund	10 8 0	@Rs.0-6-0 per Maund of

...of foodgrains and short payments made for stocks of foodgrains ...rights.

...iced prices for stocks.	Remarks.	Furnish here yearwar details for the amount shown under		REMARKS
	Amount credited to Government owing to reduction in requisition price from date of introduction of controls upto 30-6-1948.	Column-3.	Column-5.	
(5)		(6)	(7)	(8)
Rs. a. p.		Rs. a. p.	Rs. a. p.	
70 0 4		Nil	1946-47 45 6 9 1947-48 24 9 7 70 0 4	
Nil		Nil	Nil	Nil
addy. 246 15 0		Nil	1947 246 15 0	
Nil		Nil	Nil	
859 14 3		1947-48 951 0 0	1947-48 859 14 3	
lice.				
500 M.Ms 22 14 4			1948 22 14 4	
addy. 3948 8 9		1948-49 11990-5-3	1946-47 3446-12-9 1947-48 501-12-0 3948- 8-9	
Nil		Nil	Nil	
12 14 0		Nil	1947-48 12 14 0	
Nil		Nil	Nil	
142 2 4		Nil	1948 56 13 0 1947 85 5 4 142 2 4	
ice.				
373 13 6		Nil	1946-47 248 11 6 1947-48 125 2 0 373 13 6	
paddy. 3168 0 6		Nil	1943 42 4 9 1944 1256 0 10 1945 1385 3 5 1946 Nil 1947 214 5 0 1948 270 2 6 3168 0 6	
paddy. 65 11 2		1947 10 8 0	1947 65 11 2	

P.T.O.

(1)	(2)	(3)	(4)
		Rs. a. p.	
15. South Kanara.	@Rs.1-0-0 per Mura of rice. @Rs.0-8-0 per mura of paddy.	37094 3 6	Nil.
16. Tanjore.	Nil	Nil	@Rs.0-6-0 per la
17. Tinnevelly	@Rs.1-8-0 per Kottah	50 0 0	@Rs.0-6-0 per la
18. Vizagapatam.	Nil	Nil	Nil
19. West Godavari.	@Rs.0-6-0 per Maund.	293 4 0	@Rs.0-6-0 @Rs.0-4-0 @Rs.0-3-0 @Rs.0-2-0 @Rs.0-1-0
20. Tiruchirapalli.	Nil	Nil	Nil

Total of C
Total of C

kvr/18249.

(5)	(6)	(7)	(8)
	Rs. a. p.		Rs. a. p.
65	25-7-47 to 31-12-47 37094-3-6	1944-45	67683 0 0
		1945-46	127058 15 0
		1-7-46 to 24-7-47	51643 8 0
			246385-7-0 Not
		credited to Government.	
55 14 9	Nil	29-3-48	31 8 0
		1-5-48	24 6 9
			55 14 9
340 1 1	1947 50 0 0	1947	324 14 1
		1948	15 3 0
			340 1 11
Nil	Nil	Nil	
2822 14 0	1948 293 4 0	1944	823 8 0
387 0 0		1945	161 4 0*
100 11 0		1946	---
358 9 0		1947	1207 13 0*
43 7 0		1948	1320 0 0
			3712 9 0
	*This relates to East Godavari District. This was collected when the District was included in Tadepalligudem area.		
Nil	Nil	Nil.	

umn 3 above. Rs. 50389 4 9
umn 5 above. Rs. 13019 7 0

Total. Rs. 63408-11--9.

:kvr:-------

Statement showing the amounts of penalty collected for late deliveries of foodgrains and short payments made for stocks of foodgrains requisitioned in the Districts.

Districts.	Penalty for late deliveries of foodgrains to Government procuring agents.		Payment of reduced price for requisitioned stocks.		Remarks. Furnish here year wise details for the amounts shown under		
	Rate of penalty.	Amount credited to Government on account of the penalty from date of introduction of controls upto 30/6/48.	Rate of reduction in price.	Amount credited to Govt. owing to reduction in Requisition prices from date of introduction upto 30/6/48-		Column 3.	Column 5.
(1)	(2)	(3)	(4)	(5)		(6)	(7)
East Godavari ..		..	From 0-0-6 to Re.1-0-0 per bag.	Rs. 18,593 0 10		..	1946-47 18380 7 10 1947-48 212 9 0 Rs. 18593 0 10
Krishna	0-6-0 per Md.	Rs. 20,015-13-6	0-1-0 per Md.	Rs. 103 8 0		1948 Rs.20,015-13-6	46-47 1897 4 0 47-48 13019 4 0
			0-2-0 "	160 0 0			48 2998 3 0
			0-4-0 "	1,632 12 0			17914 11 0
			0-6-0 "	16,017 7 0			
				Rs- 17,914 11 0			
	TOTAL	Rs. 20,015-13-6		36,507-11-10			

Krk 18/2

18/2

Statement showing the amounts of Penalty collected for late deliveries of foodgrains and short payments made for stocks of foodgrains requisitioned in the Nellore district.

	Penalty for late deliveries of foodgrains to Government procuring agents.		Payment of reduced prices for requisitioned stocks. ...		Remarks. Furnish here year-war details for the amounts shown under ...	
District.	Rate of penalty.	Amount credited to Government on account of the penalty from date of introduction of controls upto 30---6---1948.	Rate of reduction in price.	Amount credited to Govt. owing to reduction in requisition price from date of introduction of controls upto - 30---6---1948.	Column (3) ...	Column (5). ...
(1)	(2)	(3)	(4)	(5)	(6)	(7) ...
Nellore.	...	...	Rs.0-6-0 per maund.	Rs.15,370--3--6.	...	1947-48. Rs. 34---3---2. 1948-49. Rs.15,336---0---4.

D.E. 18.2.49.

BM 18/2

Abstract of statement showing amounts of penalty collected in various districts by imposition of ~~penalties~~ a cut in prices on requisitioned stocks of foodgrains

S.No.	District	Rates of penalty for late deliveries or reduction in price for ~~and~~ requisitioned stocks	Period during which the amount was collected	Amount Collected.	Remarks
1.	2.	3.	4.	5.	6.
1.	Anantapur	6 annas per maund of paddy or millets and 8 annas per maund of rice	1946-47 and 1947-48	Rs. 70 0 4	
2.	Bellary	Nil	Nil	Nil	
3.	Chingleput	6 annas per maund of paddy	1947	Rs. 246 15 0	
4.	Chittoor	~~Nil~~	Nil	Nil 1864-5-0	
5.	Coimbatore	6 annas per maund of paddy or millets and 8 annas per maund of rice	1947-48	Rs. ~~1310 14 3~~	
6.	Cuddapah	6 annas per maund of paddy or millets	1948	Rs. 22 14 4	
7.	East Godavari	Rs. 0-0-6 to 1-0-0 per bag	1946-47 and 1947-48	Rs. 18593 0 10	
8.	Guntur ~~Kannada~~	6 annas per maund of paddy	1946-47, 1947-48 and 1948-49	Rs. 15938 14 0	
9.	Krishna	6 annas per maund	1946-48	Rs. 37930 8 6	
10.	Kurnool	Nil	Nil	Nil	
11.	Madura	6 annas per maund	1947-48	Rs. 12 14 - 0	
12.	Nellore	-do-	1947-49	Rs. 15370 3 6	
13.	Nilgiris	Nil	Nil	Nil	
14.	Ramnad	6 annas per maund of paddy or millets and 8 annas per maund of rice	1947-48	Rs. 142 2 4	
15.	Salem	6 annas per maund of paddy or millets	1946-48	Rs. 373 13 6	
16,	South Arcot	6 annas per maund of paddy	1943-48	Rs. 3168 0 6	
17.	North Arcot	6 annas per maund of paddy	1947	Rs. 76 3 2	

~~7375~~

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P.T.O.

1.	2.	3.	4.	5.	6
18.	South Kanara	Re.1/- per mura of rice and as.C-3-0 per mura of paddy	194[illegible]-48	Rs.283479 1[illegible] [illegible]	
19.	Tanjore	6 annas per maund	1948	Rs. 55 14 9	
20.	Tirunelveli	6 annas per maund	1947-48	Rs. 390 1 1	
21.	Tiruchirapalli	Nil	Nil	Nil	
22.	Vizagapatam	Nil	Nil	Nil	
23.	West Godavari	annas one to six per maund	1944-48	Rs. 4695 13 0	
24.	Nellore				
		Total		~~381687-15-7~~	
				381741-6-4	

Rs-as-ps

Total Savings ..... ~~381,687-15-7~~ → ~~[illegible]~~ 381741-6-4

Savings in S.Kanara alone ~~283,474-10-6~~ → 283479-10-6

Balance of Savings in the remaining dts. ~~98,205-5-1~~ → 98261-11-10

RDJL/24.2.

24/2

Food Department.
(A)

Sub: Procurement - Paddy and Rice- South Kanara district - Penalty levied for late deliveries - Utilisation of the amount collected during the years 1944-45, 1945-46 and 1946-47 - Proposals of the Board of Revenue (Civil Supplies) - Orders - passed.

---::--

Read: 1. From the Board of Revenue (C.S.)Ref.No.2949 U.II/46 and 8-4-47.
2. From the Board of Revenue 57674.U.II/47 dated 28-6-47, 23-11-47, 17-2-48, 24-5-48, 10-8-48, 23-9-48, 16-10-48, and 12-11-48 and 28-2-49.

--::--

G.O. Ms. No. 678 Dated 30/7/1949.

With a view to speed up procurement and accelerate deliveries of paddy and rice in South Kanara district, the Collector of South Kanara authorised the South Kanara District Central Co-operative Wholesale stores to make short payments of Re.1/- less per mura of rice and ragi ~~and annas eight per mura of rice~~ and annas eight per mura of paddy in respect of deliveries made by the ryots after the due dates notified by him during the fasli years 1944-45, 1945-46 and 1946-47. The Board of Revenue (Civil Supplies) has reported that a total amount of Rs.2,83,479-10-6 was collected on account of such short payments from 1944 upto the end of December 1947. Out of this, a sum of Rs.37,094-3-6 collected between 25-7-1947 and 31-12-1947 has been credited to the Government and the balance of Rs.2,46,385-7-0 is held in deposit with the Stores as shown below:-

Period	Amount.
1. Fasli year 1944-45	Rs.67,683-0-0
2. Fasli year 1945-46	Rs.1,27,058-15-0
3. From 1-7-46 to 24-7-47	Rs. 51,643--8-0
Total ...	Rs. 2,46,385--7-0

The Government direct that the entire sum of Rs.2,46,385-7-0 be taken over from the South Kanara district Central Co-operative Wholesale Stores immediately and credited to the Government. The Collector of South Kanara is requested to take necessary action at once and see that the amount is credited to the Government under the Head of Account "85-A. Capital Outlay on Provincial schemes of State Trading - a. Grain supply schemes - B.4. Deduct - Receipts and Recoveries on

Capital Account.

2. The South Kanara District Food Committee in a resolution passed in the year 1947 recommended that the amount might be utilised for various purposes of public utility in South Kanara district, notably for the construction of a T.B. Hospital. The Government accept the recommendation in so far as it relates to the construction of a T.B. Hospital and direct that one half of the amount of Rs.2,46,385-7-0 ordered to be credited to the Government in para 1 above namely, Rupees 1,23,192-11-6 (Rupees one lakh and twenty three thousand and one hundred and ninety two, annas eleven and pies six only) be utilised for the construction of a T.B. Sanatorium in South Kanara district.

3. Instructions regarding the agency to be employed for the execution of the work and the method of utilising the grant will be issued separately by the Government in the E & P.H. Department.

26/7/49

26.7.49

27/7/49

27/7/49

To

The Collector of South Kanara, Mangalore.
The Board of Revenue (C.S.)
The A.G. thro' Finance.
Copy to Finance Department.
Copy to the Surgeon General Madras. (Copy to E.P.H. Dept.)
Copy to E.P.H. Dept.
Spare copies 10.
Copy to Rd. of Rev (Cs).
(Accounts Branch)

7/8/49

Draft II.

Issue to-day
Speedily
Ller
30/7/49
3-15 PM
30/7/49

U. O. Note No. 30055 A/47-25 dated 30/7/1949.

Sub: Procurement - Paddy and Rice - South Kanara district - Penalty levied for late deliveries - Amount collected during the years 1944-45, 1945-46 and 1946-47 - Utilisation for the construction of a T.B. Sanatorium in the district

---

Ref: G.O.Ms. No. 678 Food dated 30/7/1949.

--

14
30.7

A copy of the G.O. cited may be sent to E & P.H. Department for taking necessary further action with reference to para 2 of the G.O. together with extracts of the relevant Notes and Orders etc.

26/7/49
26.7.49

27/7/49 27/7/49

To

The E & P.H. Department with the copy of the Note at 'X' in original and an extract of the Notes and orders enclosed in pencil square brackets at pp. 42-45 N.F. and a copy of 67 c.f.

dpd with
and
2/8/49

33185

Ref.C.No.W.7-27055-48.

South Kanara Collector's Office
Mangalore, dated: 10-8-1949.

From

Syed Ahmed Sahib Bahadur, B.Sc.(Hons.),
Collector of South Kanara.

To

The Secretary to the Commissioner of Civil Supplies,
Board of Revenue (Civil Supplies), Madras.

S i r,

PROCUREMENT - Paddy and Rice - South Kanara District - Penalty levied on late deliveries - Utilisation of amounts realised - Orders.

Ref: 1. Board's Ref.No.2949-U.II-46-Z4 (CS) dated 16-6-1949.
2. G.O.Ms.No. 678, Food, dated 30-7-1949.

I invite attention of the Board, to the G.O.cited. The Board in its reference 1st cited, had ordered the collection of Rs.178702- from the S.K.C.C.M.Stores, Ltd., from out of Rs. 246385-7-0, the amount of penalty collected on late deliveries of rice, in 1944-45, 1945-46 and from 1-7-46 to 24-7-1947 and held in deposit by the Stores. It was also stated that the balance of Rs.67,683/- was recommended to be paid to the stores towards the loss incurred by the stores in transport charges in 1944. But Government in their order cited, have ordered the collection of the entire amount of Rs.246385-7-0 from the stores. I therefore request to be informed whether the Government have rejected the recommendation of the board to pay the sum of Rs.67683/- to the Stores. I request the favour of early orders.

A.S. — Food (A)

The presumption at 'A' above is correct & the Bd will no doubt send a reply to the letter accordingly. May be lodged & added to the papers at (2).

17/8/49

Yours faithfully,

12/8/49

17.8.49 LS/12-8. Compd.

19/8/49

For Collector.

Copy to the Secretary to Government, Food Department, Government of Madras, Madras.

1218

GOVERNMENT OF MADRAS
Abstract.

105 ~~107~~

PROCUREMENT - Paddy and Rice - South Kanara District - Penalty levied for late deliveries - Utilisation of the amount collected during the years 1944-45, 1945-46 and 1946-47 - Proposals of the Board of Revenue(Civil Supplies)- orders - Passed.

-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-v-

Food Department.

G.O.Ms.No. 678 Dated the 30th July, 1949.
Read:--

From the Board of Revenue(Civil Supplies)Ref.No. 2949-U.II/46 dated ~~8-4-47~~ 18.11.46 and 8.4.47
From the Board of Revenue 57674-.UII/47 dated 28-6-47 23-11-47, 17-2-48, 24-5-48, 10-8-48, 23-9-48, 16-10-48, 12-11-48 and 28-2-49.

ORDER:

With a view to speed up procurement and accelerate deliveries of paddy and rice in South Kanara District, the Collector of South Kanara authorised the South Kanara District Central Cooperative Wholesale Stores to make short payments of Re.1/- less per mura of rice and ragi and annas eight per mura of paddy in respect of deliveries made by the ryots after the due dates notified by him during the fasli years 1944-45, 1945-46, and 1946-47. The Board of Revenue(Civil Supplies) has reported that a total amount of Rs.2,83,479-10-6 was collected on account of such short payments from 1944 upto the end of December 1947. Out of this, a sum of Rs.37,094-3-6 collected between 25-7-1947 and 31-12-1947 has been credited to the Government and the balance of Rs.2,46,385-7-0 is held in deposit with the Stores as shown below:--

Period.	Amount.
1. Fasli year 1944-45.	Rs. 67,683--0--0
2. Fasli year 1945-46.	Rs.1,27,058-15-0
3. From 1-7-46 to 24-7-47.	Rs. 51,643--8--0
Total.	Rs.2,46,385--7--0.

The Government direct that the entire sum of Rs.2,46,385-7-0 be taken over from the South Kanara District Central Cooperative Wholesale Stores immediately and credited to the Government. The Collector of South Kanara is requested to take necessary action at once and see that the amount is credited to the Government under the Head of Account "85.A. Capital Outlay on Provincial Schemes of State Trading-a. Grain supply schemes-B.4. Deduct - Receipts and Recoveries on Capital Account.".

2. The South Kanara District Food Committee in a resolution passed in the year 1947 recommended that the amount might be utilised for various purposes of public utility in South Kanara District, notably for the construction of a T.B.Hospital. The Government accept the recommendation in so far as it relates to the construction of a T.B.Hospital and direct that one half of the amount of Rs.2,46,385-7-0 ordered to be credited to the Government in paragraph 1 above namely, Rupees 1,23,192-11-6(Rupees one lakh and twenty three thousand and one hundred and ninety two, annas eleven and pies six only) be utilised for the construction of a T.B.Sanatorium in South Kanara District.

P.T.O.

407/55

Instructions regarding the agency to be employed for the execution of the work and the method of utilising the grant will be issued separately by the Government in the Education and Public Health Department.

(By Order of His Excellency the Governor)

M.A.Kuttalalingam Pillai,
Secretary to Government.

To

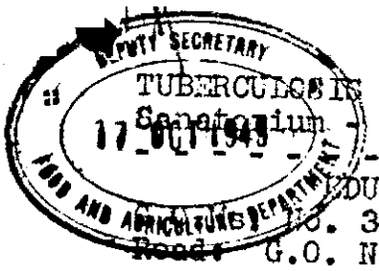
The Collector of South Kanara, Mangalore.
" The Board of Revenue(Civil Supplies).
" The Accountant General thro' Finance.
Copy to Finance Department.
Copy to the Surgeon General Madras thro' Education & Public Health Department.
" " Education and Public Health Department.

/ Forwarded / By Order /

kvr/30749.

Superintendent.

TO BE SUBSTITUTED FOR G.O.MS. NO. 3403, P.H., DATED 26-9-1949.



GOVERNMENT OF MADRAS. 47202
ABSTRACT.

TUBERCULOSIS - South Kanara District - Opening of a Tuberculosis Sanatorium - Sanctioned.

- -

EDUCATION AND PUBLIC HEALTH DEPARTMENT.

Read: G.O. No. 3403, Public Health, Dated 26th September 19[illegible]
G.O. No. 678, Food, dated 30th July 1949.

--

Read also: Letter from the Surgeon-General, No. 89299-6 P.H., dated 13th October 1948.
-do- 39299-8 P.H., dated 9th December 1948.
-do- 39299-16 P.H., dated 23rd June 1949.

--

Noted on 19/X/49
19/X/49

ORDER:

The Government sanction the construction of a Tuberculosis Sanatorium at Mudisheddem in the South Kanara District at a cost of Rs. 3,90,800/- (Rupees Three lakhs, ninety thousand and eight hundred only).

The South Kanra District Branch of the Madras Provincial Welfare Fund have offered a donation of Rs. 2,67,607-4-6 for the purpose. The balance will be met from Provincial funds. The Government accept the offer of the Provincial Welfare Fund with thanks subject to the conditions specified below:-

(i) The Sanatorium will have 25 beds to start with, consisting of one general ward of 18 beds, one special ward of [illegible] and three special wards of 2 beds each. The buildings will be constructed by the Public Works Department.

(ii) The South Kanara District Branch of the Provincial Welfare Fund should meet any additional expenditure that may be required for the opening of the Sanatorium including its equipment.

(iii) The buildings after completion and the land offered by the donors, if accepted, will become the absolute property of the Government.

(iv) The entire maintenance charges of the Sanatorium will be met from Provincial Funds. But the acceptance of the offer places no obligation on the Government to maintain the institution perpetually regardless of financial considerations.

2. The Surgeon-General is requested to collect the contribution from the South Kanara Branch of the Madras Provincial Welfare Fund and credit it to 2"XXXIX-Civil Works - C.Recoveries of expenditure - Donations from the Provincial Welfare Fund."

3. He is also requested to have detailed plans and estimates prepared quickly and to submit them to Government for approval.

4. He may submit when the work is nearing completion, proposals for the employment of staff for the Sanatorium.

(BY ORDER OF HIS EXCELLENCY THE GOVERNOR)

T.M.S. MANI,
Addl. Secretary to Government.

To the Surgeon-General with the Government of Madras.
" the Accountant-General through Finance.
" the Finance Department.
" the Public Works Department.
" the Food Department.
" the Chief Engineer, P.W.D. through Public Works Department.
" the Chairman, Provincial Welfare Fund, [illegible] Mangalore.

To the Secretary to the Board of Revenue.
" the Commissioner of Income-tax, Madras.
" the Secretary, Madras Urban Development Authority, Egmore, Madras-8.

Form of Notice

ITB.12.10.

J. Kamakshi Amma
Executive Engineer.

F & A (A)

A-Sr

Submitted for perusal of E & P.H. Deptt G.O. at P.1 above. W.r.t. the sanction given at the top of P.1 above this may be looked into added to the connected G.O. at (2), the other E & P.H. G.O. at P.109 of/(2) being passed out.

19/x/89

19.x.89

27 SEP 1949

[illegible]

[illegible]

[illegible]

[illegible]

T. Kamalakaravalu
22/9/49

P.S.

Subject for perusal of the E.H.C.H. Order at P. Palayam Amalgamating the maternity & T.B. Sanatorium in S. Kanara dt, in furtherance of the orders issued in G.O. Ms. No. 678 Food dt 30.7.49.

May the Govt. be addressed to the original of the G.O. at (Z)

6/x/49

6.x.49

60870

Government of Madras.
Education and Public Health Department.
Memorandum No.70649 L/49-4 P.H. dated 3rd December 1949.

***

Sub: Procurement-Paddy and Rice-South Kanara District-Penalty levied for late deliveries-Utilisation of amount collected in 1944-45, 1945-46 and 1946-47-Construction of a Tuberculosis Sanatorium-Debit head of account.

Ref: G.O.No.678 Food, dated 30-7-1949.
G.O.No.3403 P.H. dated 26-9-1949.
From the Board of Revenue (Civil Supplies), No.57674/VII/48 (C...) dated 5-9-1949.

ASSISTANT SECRETARY
9.. DEC 1949
FOOD AND AGRICULTURE DEPARTMENT

***

The Board of Revenue (Civil Supplies) is informed that the sum ...11-6 referred to in its letter cited should be credited to the Public Works Department, under the head "XXXIX Civil works-C. Recoveries of expenditure" as the expenditure on the construction of Tuberculosis Sanatorium in South Kanara, will be debited to 50. Civil works".

T. Govinda Menon,
Deputy Secretary to Government.

To
The Board of Revenue (Civil Supplies).
The Surgeon-General with the Government of Madras.
The Accountant-General, through Finance Department.
The Food and Agriculture Department.
The Public Works Department.

A.S. Forwarded/by order.
Item to be added to the orig of G.O.678 Food dt 30.7.49 put up separately for my signature.
10.12.49

J. Ramachandra Rao
8.12.49
Superintendent.

BOARD OF REVENUE (CIVIL SUPPLIES)

SUBJECT.

PROCUREMENT AND DISTRIBUTION - Paddy & Rice - South Kanara district - penalty collected on late deliveries of foodgrains - Recovery of the balance of amount from the South Kanara district Central Co-operative stores - report submitted.

Ref: No. 56774-UII-47- 34 CS.
Dated 21st November 1949.

From

SRI C.K. VIJAYARAGHAVAN I.C.S.,
Commissioner of Civil Supplies.

57705

Sri K. Subba Rao, B.A.,
Joint Secretary to the Commissioner of Civil Supplies, Chepauk, Madras.

Ref: G.O.No.Ms. 678 (Food Dept) dated 30-7-49.

The Board submits that with reference to G.O. cited above the Collector was asked to report the collection of the balance of the amount of penalty held in list by the South Kanara District Central Co-operative stores. The president of the stores has now applied for time to pay the balance pending settlement of accounts relating to stocks moved from November 48 to March 1949. A copy of the president's letter dated 21-9-49 is enclosed for the information of the Government. The Board considers that the attitude of the president of the stores in withholding the remittance of the amount held by it on trust is very unreasonable and is informing the Collector accordingly. The Collector is being asked to advise the President against his unreasonable attitude and to persuade him to remit the balance immediately.

K.R. Srinivasan
For Joint Secretary.

24.11.49

To
The Secretary to the Government, Food & Agriculture Departmentm, Madras. with encl.

pvj21-11

Copy of letter No. Ref: C.No.W7. 27055-48, dated 4-10-49, from the Collector of South Manara, addressed to the Secretary to the Commissioner of Civil Supplies, Madras.

Sir,

PROCUREMENT AND RATIONING: Rice and Paddy - South Kanara district Penalty collected on late deliveries - remittance of amount - orders passed by Government - time - requested.

Ref: 1. G.O.Ms.No. 678 Food Department, dated 30-7-1949.
2. Bd's Ref:No. 2949-UII-46-R6(CS) dated 30-8-49.
3. Bd's Ref:No.57674/UII/48CS. dated 5-9-49.
4. From the President, S.K.C.C.W.Stores, Ltd. Mangalore R.C. 971/45-F dated 21-9-49.

I enclose a copy of the letter received from the President S.K.C.C.W.Stores Ltd. Mangalore. He requests to be informed of the reasons, why the Government have disallowed his claim for reimbursement of the loss incurred by the stores in 1944, in the transport of foodgrains. I request that the Board may be pleased to make a reference to the Government in the matter and communicate their orders to me in due course.

2. The President of the stores has remitted a sum of Rs. 1 lakh to the treasury on 24-9-49. He requests for time to remit the balance of amount due, for the reasons stated in paragraph 2 of his letter. His requests may be compliedd with.

/True Copy/

Superintendent.

pvj.21-11

Copy of letter Rc.971/45-F dated 21st September 49 from the S.K.C.C.W.Stores Ltd., Mangalore to the Collector South Kanara.

Sub:- Procurement and Rationing - rice and paddy - penalty collected on late deliveries - remittance of amount.
Ref:- Your Ref.C.No.W.7.27055/48 dated 14-9-49.

I have gone through the copy of Board's reference dated 30-8-49 and of G.O.Ms.No.678 dated 30-7-49 kindly furnished by you with the reference cited.

2. From a perusal of the G.O. I am completely surprised at the total absence in the body of the G.O. of my reference to the consideration of our claim for reimbursement of Rs.9141-12-0 which has been pending for an unconscionable long time. It is quite evident that the Government have quietly ignored our claims and given the goby and not applied its mind to decide it on its merits. I need hardly say that the claim is well founded from all considerations of equity, justice and goodconscience and it cannot be brushed aside by simply ignoring it. We have right to get a decision setting out the grounds, if it has been disallowed and rejected. As the G.O. is absolutely silent on the matter, I cannot bring myself to think , as observed by the Board in para 2 of their reference dated 30-8-49, that our claim has not been accepted by the Government. I must say from a perusal of the G.O. that this statement is incorrect and that the presumption made is wrong. It is curious that the Board which has recommended our claims substantially, should refer to it in some what dubious terms thus loss said to have incurred. I may be ~~in some what~~ excused if I say that this is very annoying and most discouraging. I feel quite upset over this kind of unexpressed disposal of the claim involving a large amount. I am overwhelmed by a sense of frustration and my hopes of getting justice at the hands of Government are shattered. I feel that I cannot carry on any more this work of procurment and distribution with any heart and for the moment. I am overcome by a strong desire to give up this work and leave it to others who can work like machines with no heart nor feeling. I would request you to address the Board once more with reference to our claim to get from Government a definite order with reasons for disallowing it if they so think fit; in spite of the recommendations of several collectors and the Board of Revenue.

3. I have already reported that relying on your endorsement ref.C.W7.27055/49 dated 27-6-49 communicating Board's reference 2949/UII/46-~~22~~ (CS) dated 16-6-49 the sum of Rs. 67683/- has been adjusted from the penalty funds with us and we only hold a balance of Rs.178702-7-0 in suspense on account of penalties collected. I shall remit Rs.1,00,000/- out of this by the end of this week, and I request that I may be given time to remit the balance after the dispoal of the claims for payment of the transport charges in respect of stocks moved from November 48 to March 49 which I am making separately. I am submitting the claim after getting it audited and certified by the Departmental Auditor, I may be excused for withholding payment of the amount pending decision on this question, as I am compelled to do so by the past unhappy experience and total discouraging attitude of the higher authorities.

True Copy.

Superintendent

Notes

Foo 2.

Subj: Procurement and distribution - Foodgrains - S. Kanara. Dt. - S.W.C.C. W. Stores, Hrd. - Claim on transport charges - Re-imbursement - Proposals

C No. 30312-A/46

Ref: From the Govt. Advocate; Roc. No. 2916-A II/46-3, dt 18/11/46

A.S.

Submitted for perusal of pp. 1-6 Cf.

With a view to make the procurement drive in S. Kanara district effective, the Govt. appears to have ordered that full price should not be paid for the grain delivered to the Govt. or their procuring agents after a due date fixed in each case, and that the money recovered by such short payments should be credited to the Govt. An amount of Rs. 67683/= is stated to have been recovered by such short payments for late deliveries in 1946-47.

It has been stated that the South Kanara Central Co-op Wholesale Stores, has incurred a loss of Rs 91,641-12-0 for the year ending June 1946, on transport charges, as the margin allowed to cover transport charges for movement of stocks was not adequate. Attention is in this connection invited to para 2 of the Collr.'s report on f. 5 C/6 in which it has been stated that

Some special margins have been allowed for transport charges in the S. Kanara Dt. over and above the usual rates. However, in his further report, the Coll. has explained the ~~unusual~~ unusual circumstances ~~under~~ which ~~the~~ involved the extra transport charges thus bringing loss to the Stores. The Collector has therefore for the reasons stated in paragraph 4 of his letter dtd 5.8.46 suggested ~~recommended~~ that he might be permitted to adjust the amount of Rs. 67,683/- earned on behalf of Govt. by ~~their~~ payments towards the loss ~~incurred~~ by the Stores on transport charges. In the circumstances explained in para 3 of his reference the Bd. has recommended the Coll's proposals. ~~In this connection~~ ~~It is submitted that~~ ~~there is no net loss to the~~ Govt. will ~~not be put to any loss~~ by these proposals ~~are the~~ In the circumstances it is for orders whether the Bd's recommendation will be accepted and the Coll's proposals approved. Fin. may see the Cash for remarks.

p. 1 ante

may be accepted

KG 28/11/46 29.11.46 2/12/46 2/12/46

Food U.O. 30312-A/46-I

Finance(Accts-B)

3.12.46

Please see the Food dept's note on pages 1-2 above-

The question for consideration is whether the Stores & which incurred a loss of Rs.91,641-12-0 for the year ending June'45 on transport charges should be ~~xxxx~~ allowed to adjust the sum of

SECRETARY TO GOVT. 8 DEC 1946 65966(1) FINANCE

2 on 1-5-47

of Rs.67,683/- earned on behalf of the Government by short payments on account of grain delivered to Govt. or their procuring agents after the due dates.

2. The Stores have already earned a net ~~xxx~~ profit of Rs.25,940-14-0 for the year and by adding this sum of Rs.67,683/- the net profits will be raised to Rs.93623-14-0.

3. In order to cover the extra transport charges, the Stores have been allowed special margin of profits varying from as.2 to as.5 per mura, in addition to the usual margin of profit over the basic purchase price. In calculating the loss the Stores have taken only the receipts under extra margin allowed. As observed by the Collector, the Stores are not entitled to ~~any~~ re-imbursement of any loss sustained under a particular head especial when it ~~was~~ made a net profit on the whole.

The main contention of the Stores is that the profit made is insufficient to make reasonable contributions towards Reserve Fund etc., The paid-up capital of the Stores is only Rs.2.41 lakhs and the net profits of Rs.25,940/- works out to ~~almost~~ over 10% . The reasons adduced at X on page 3 c.f. will hold good in the case of other procurement copperative stores working in other places eg.,Malabar,East Godaveri etc., In the circumstance this department may advise against the proposal.

4. If however the proposal is to be pressed, ~~xxx~~ the Food dept. may be requested to adopt the 'new service' procedure as the amount of subsidy involved is large (exceeding Rs.10,000/- non-recurring).

NRV 10.12.46

9.12.46 9.12.46

A allows - The returns has to be Calculated on the working Capital of the Centers. The share Capital is only a part of the working Capital of the Centers. As this has the returns on Capital outlay is less than half per cent The Society had to spend more than the margin allowed towards transport charges. If it were a private Contractor and if he had accepted the terms offered by the Collector there would have been no need to pay any subsidy to Cover the loss. The Coop. Stores appears to have been Cooperating with the Govt. in the procurement and distribution of grains through out the district and it is for Consideration whether the Govt. may in a special Case, agree to the payment of a subsidy of Rs 67.683 as recommended.

NRV 10.12.46 Food 8 dept

M | What exactly is the saving accrued to Govt.? If it is merely the bonus not paid

on account of late delivery of produce it cannot be said to be any kind of profit at all. In effect the Govt is being called upon to pay a bonus for procurement to the Cooperative Stores although the procurement is after the prescribed date which qualifies for a bonus. Such a bonus would be highly unjustified as after all the Stores are a commercial body & have earned a profit on the whole. It cannot be expected that every year's transactions would enable a commercial body to pay a reasonable dividend & make some additions to the reserve fund & pay a bonus to employees. If necessary an estimate may be made of what additional sum is necessary to enable the Stores to pay minimum reasonable dividends & minimum contributions to the reserve fund & the question whether an ex-gratia payment of some comparatively small amount to the Stores to make it possible to meet the minimum requirements may be considered. (But even this would be of doubtful propriety as the Stores would not have paid anything to Govt of they had made huge profits)

If this is allowed the Provincial Govt will have to bear the whole cost, whereas the Govt of India will bear half the cost if it has actually been paid to cgpts as bonus.

M 10/12/46

M 10/12/46. Food.

A.S.

Food (A)

Please see the notes of Fin Dept from p. 2 above. Fin no 6596 AD. 10.12.46.

M on pp 3-4 above: The saving accrued to the Govt is not on account of non-payment of bonus for late deliveries of grain, as presumed. The amount has been saved as a result

ASSISTANT SECRETARY 11 DEC 46 FOOD DEPARTMENT

35/71

of a cut imposed in the price paid for the grain ~~to~~ sold by the producers after the due date fixed in each case, which appears to have been ordered by the Board with a view to make the procurement drive in the S. Kanara District effective. This has not however been made clear in the Bd's proposals. Thus, the amount accrued is a saving ~~at~~ to the Govt. ~~thought its~~ The Finance ~~dept~~ have advised against the proposal. It is for orders whether the alternative suggested by the Fin. Secy. at N on p.4 above will be accepted

KR 7/1/47 SVR 11.1.47

Procurement is done by the S.K.C.C. in stores. It pays for paddy & rice at rates fixed by the Govt. and sells them at the selling price fixed by them. In certain cases the Govt was allowed to deduct the price paid to the producers but there was no corresponding reduction in the sale price to consumers. Thus the Govt made an additional profit of Rs 67,683 to which it is not entitled. The proposal is to adjust this profit against the loss of Rs 21,641 incurred in the transport of the rice. Is our position as stated above correct? If so, issue the Ord.

W 13/1/47

It seems better to consult the Govt. on the matter as it is not free from doubt. Pl. put up a draft.

W 20/1/47

A.S Tabove A draft is subd. for approval.

KR 21/1/47 SVR 23.1.47 W 23/1/47

S.O.V.

I moved as Memo No. 30312-A/46-2, dt 24/1/47
From the Bd. of Rev. (CS) Rc. no
2949-2R/46-9, dt 8/4/47.

A.S.

Please see notes from the bottom of p. 2 above and the report of the Bd. of Rev. (CS) in reply to the Govt. Memo at p. 11 cf.

With ref. to the views of the Addnl. Secy. Fin. Deptt. at N. on pp. 3-4 above, attention is invited to para 1 of the Bd.'s report at p. 13 cf. The Board has ~~therefore~~ stated that the sum of Rs. 67683/- ~~accrue~~ accrued to the Govt. on account of short payments for late deliveries of foodgrains is a saving to the Govt. credit and that the Store have no legitimate claim to the sum.

As regards the suggestion ~~of the Addl~~ at # N on p. 4 above, please see ~~para~~ the Bd.'s remarks at S on pp. 13-14 cf.

In the circumstances stated, the Board has supported the recommendation already made by it that the entire amount of Rs. 67,683/- earned on behalf of the Govt. may be adjusted towards the loss sustained by the Stores on transport charges. ~~It is for orders, whether~~

Fin may see the case again for remarks before Circulation.

Temp. file para 2 X 2474DD

SECRETARY TO GOVERNMENT 24 APR 1947 FINANCE DEPARTMENT

18/4/47 18/4/47 24/4/47 DTS 22-4-47 S/Fin

Form U.O. 3031a-A47
23.4.47

acted expenditure incurred on transport, which they ~~[illegible]~~ (the Stores) had pocketed the large profits made on other items. This I think is an unreasonable attitude. As a business concern the Stores should not ask for a revision of the terms on which it undertook the business & as it made substantial profits on the whole there is no justification for any ex-gratia payment. The request may be negatived.

8/1/54) Food

Fin No. 24740 AS-1
1-5-47

ASSISTANT SECRETARY
2 - MAY 1947
FOOD DEPARTMENT

A.S.

Food (A)

Please see the note of Fin Deptt. from ~~pp 7 & 8~~ p. 7 above. They have negatived the proposal of the Bd. of Rev. (C). It is for orders whether this Deptt. would press for the acceptance of the Bd's proposals and orders obtained in circulation. If so, a note for circulation will be put up.

26177

3/5/47 5/5/47

Finance consider that as the Stores had made a handsome profit on the whole transaction, it is unreasonable on their part to require Government to meet the loss in one of the items alone while they have made profits on other items. They have also pointed out that as a business concern, this stores should not ask for a revision of the terms on which it undertook the business and as it had made substantial profits on the whole, there is no justification for any ex-gratia payment.

The President of the Stores points out that the profit of 6 annas per mura allowed to them is not even sufficient to cover their other

expenses like interest, salestax, storage, establishment etc., and that it was why separate allowance was fixed in a rough and ready manner ~~and~~ to meet transport charges. The allowance fixed was 2 annas from 1-12-44 and it was later enhanced to 3 annas and 5 ~~five~~ annas from 1-2-1945. The actual transport charges for the year, however, amounted to 2,46,092-10-0 while the total allowance according to the above rates amounted to Rs.1,54,450-10-0, resulting in a deficit of Rs.91,641-12-0. The Collector pointed out that when normally the Stores had agreed upon a fixed profit per mura, it had taken the rough with the smooth in the contract and was not entitled to ask for reimbursement of any loss sustained under a particular head, particularly when it had made a profit on the whole, yet the loss sustained on the transport side was unforeseen and was beyond the control of the stores. The Collector also stated that the loss was sustained not in the course of normal movement of supplies but on account of emergent big internal movements, a contingency which could not be foreseen when the rate ~~of fixed margin~~ of transport was fixed and agreed upon. The Collector, therefore, considers the request of the stores to be reasonable and recommends it.

Assuming for the sake of argument that the transaction was entrusted to a private wholesaler and not to a Coop Stores, that he had found in similar circumstances that the transport charges which he had earned at the rates fixed by the Government and as agreed upon by him, were actually lower than the actual transport charges incurred by him on account of the unforeseen and emergent movements which were not contemplated at the time the rates were agreed upon, then one of two things would have happened.

(1) The wholesaler, as soon as he found that the transport charges allowed to him were inadequate,

would have agitated for an increase in the allowance for that item and would have stopped movement pending the settlement of the question; or

(2) he would ~~have~~ have made the movement on getting an assurance from the Government that any loss incurred by him would be reimbursed. In case he had made a similar claim and that claim was supported by the Collector and the Board of Revenue, the Government would certainly not have investigated the question whether the merchant had made a profit out of the whole transaction or not. They would have satisfied themselves whether, in so far as transport charges are concerned, he had incurred a loss on account of the inadequate allowances fixed by the Government. Because the party in question is a co-operative stores and because the Stores happened to have audited ~~the~~ accounts which show a net profit during the year, which, by the way, were opened on the scale recognised and sanctioned by the Government, it is not justifiable to accord them a differential treatment than what would have been accorded to a private merchant. The facts of ~~the~~ the case are clear. The Stores have admittedly lost Rs.91,600 and odd over transport charges. They are entitled to claim this loss from the Government as admittedly the movements which caused this loss were not strictly in accordance with the movements which were contemplated at the time when the fixed rates were agreed upon.

The point that the Stores had earned a profit on the whole during the year appears to be not strictly relevant to a decision on the question whether they are entitled to be reimbursed of the above loss. In view of the Collector's and the Board's recommendation and as it is not justifiable to

is anxious to reimburse the stores a loss which it has incurred really to help us by transferring stocks.

The Food Dpt. would press for an acceptance of the proposal.

MVS

9.5.47

H M (Food)

H M (Finance)

I do not think the Stores have had any loss. The money belongs to the Consumers. It cannot go to the Stores by any stretch of interpretation or of arguments. H.M.P. H&M has sent a note asking for a sum of over a lakh of rupees as a donation for a tuberculosis sanatorium at Mangalore ex. this is a public utility concern for which this amount may be diverted. Legal may give its opinion on this.

H.M.P.H. may see

24/5

B.J.N
22/5

Legal's opinion may be obtained.
29/5

Hm 26/5/47

H.M. (Public Health)

A.S

Please see orders in circulation above. Legal Deptt. may be requested to advise whether there is any objection to the utilisation of the amount of Rs. 67,683/-, which has accrued to the credit of the Govt.

as a result of payment of reduced prices to producers for foodgrains delivered after the fixed dates, for a public institution concern

KR 3/6/47 Ltr 12/6/47 Legal

Food.U.O. No 312-A-46-I
5-6-47

Legal Department

The Co-operative Store has no legal claim to the amount. It is money belonging to the Government and there is nothing to prohibit them from putting it to such use as they deem fit. There is no legal objection to paying the amount as a donation to the Tuberculosis Sanatorium at Mangalore.

ASSISTANT SECRETARY LEGAL DEPARTMENT

1/6/47

Ltr 19/6/47 Food

Legal Secy no 6222/47 I
19.6.47

A.S. Food (A).

With ref. to the minutes of H.M. Food on p. 13 above please see notes of Legal Deptt. above. Legal Deptt. has stated that there is no legal objection to paying the amount in question as a donation to the Tuberculosis Sanatorium at Mangalore.

ASSISTANT SECRETARY 14 JUN 1947 FOOD DEPARTMENT

34719

In this connection, attention is invited to a further reference from the Board at p. 17/c, & in which it has pressed for the acceptance of its recommendation to pay the amount to the South Kanara Central Co-op. Wholesale Stores towards the loss incurred by it on transport charges. For orders.

KR 23/6/47 Ltr 25/6/47 S

KR 25/6/47 Some more should have been allowed since 1 month what are the collections

B | upto date approximate. Ascertain from the Tw Ly a
d. if necessary

MWS
26.6.47

A.S.

B on pp. 14-15 above: Attention is invited to paras 1 and 2 of the report of the Collector of S. Kanara in the linked file (Cover). It is clear from para 1 that the amount, Rs. 67,683/-, represents the disposal of which is under consideration in this file, represents savings accrued in the fasli year 1956-57 only. The total savings during the fasli years 1955-56 and 1956-57 are estimated to amount to Rs. 2,50,000/-.

It is also evident from the report of the Collector of S. Kanara in the linked file, that the Dr. Food Committee has asked for the amounts saved in the years, i.e., 1955-56 and 56-57 only to be spent on public utility concerns and that it had not made any demands on the amount saved in the year 1954-55. In view of this and in view of the fact that a substantial amount of Rs. 1,50,000/- has been proposed to be spent on T.B. Sanatorium out of the savings accrued in subsequent years, it is for consideration whether the request of the S.K.C.C.W. Stores for the reimbursement of the loss sustained by it on account of transport charges

from the savings in the year 1944-45, will be considered favourably.

16/7/47

The file may be circulated to H.H. (Food) ~~accordingly~~ and H.H. (Fin.) for info.

16/7/47

Even without the savings in question in this file which relate to 1944-45 & which amount to Rs. 67,683 there are savings to the extent of 2½ lakhs in the transactions of 1945-46 & 1946-47 which alone are proposed by the Food Committee to be utilised on the three objects mentioned at A on p. 4 of the L.F. It is therefore for consideration whether the request of the S.I.C.W. Assn. ~~Bihar~~ for the payment of the savings of Rs 67,683 to them in part compensation for the loss incurred by them in extra transport charges will be favourably considered. The Co-op. Stores have of course no legal claim for the money. Vide note of legal advice at p. 14 above

16/7/47

The collections during 1944-45 may be handed over to the Stores in recognition of services in connection with the Food Administration on the analogy of an ex-gratia grant of over a lakh of rupees to the I.V.C.S. workers.

The collections during 1945-47 may be spent on public purposes proposed by the Collector at A in the linked file.

17/7/47

Dept.

E.F.H.

Fin.

FOURTH ASSISTANT SECRETARY (F)
21 JUL 1947
DEVELOPMENT

68120

Food No 30312A/47

18747

Dev. Deptt.

Note from p. 15 above may be perused. Does Deptt propose:-

(i) That the Collections during 1944-45 by way of short payments amounting to Rs 67.682/- may be banned over to the Stores in recognition of services in connection with Food Administration on the analogy of the ex-gratia Grant granted to the T.N.C.S.

(ii) That the Collections during 1945-46 and 1946-47 may be directed to be spent on public purposes proposed by the Collector of S. Kanara, referred to as 'A' and 'S' of the linked file.

This Deptt may agree with the above recommendations and pass on the case to E. & P.H.

S

618
E & P.H.
G2

28.7.47

68/8/47

Read as (6.8.47)

Dev no 68120 F(47)
8/8/47

Please see the notes of Dev. above. The linked file referred to at H above has not been received from the Dev. deptt. That deptt may be requested to furnish the file for reference.

13/8/47 Dev

Dev
12/8/47

E & P.H no. 6468/47-I G2
13/8/47

Dev F.

The linked file referred to above has been sent to E & P.H Deptt. Bringt Park (P&S) in this Deptt. U.O. no. 68121 F/47 dated 9/8/47. This may also be sent to E & P.H Bringt Park (P&S)

Dev no 73461 F/47
19.8.47

Dev no 78461 F/47-I
25/8/47

7276 25/8/47

Park (P&S)
E & P.H

Public Health.

A.S.

Notes from p. 7 above may be issued. The plans were sent to the Dept with reference to the letter. The file moved to A on 5/7 ante was [illegible] to Dept with this Dept U.O. No. 6965/47-1 dt 7-7-47. The plans sent to E+P H in Continuation.

27.8.47 — 27.8.47

28/8/47 — E+P H — EOH(Q2) — Food U.O. No 27616/Pt D.II/47-1 28.8.47.

Please see the Notes of Food Dept. from p-15 ante and the notes of Dev on p. 17 ante may be perused. The file may be passed on to Finance. The remarks of this dept on the proposal of the Collector of South Kanara to open a tuberculosis Sanatorium there, referred to at H on p-16 ante are noted in the linked file.

69168

DA 2/x/47

Aw 1.9.47 — JRR 1.9.47 — Finance — Finance

64685/47-2
EOH U.O. 6941/47-Q2 OH
2/9/47

Food Dept (A)

A.S.

Please see the note of this Dept at pp. 15-16 above and the Engineer's note of Dev, Q, E & O H Depts. This file also may now be sent to Finance for remarks on the proposals under consideration in this file and in the top file.

Food U.O. No 30312-A/46-II
29.9.47

K 27/9/47 — 27/9/47 — mes 28/9/47 — Fin

27/9/47

Fin (Acts B)

(Previous finance notes on pp 7-9 above)

Please see the remarks of Finance in para 2 on pp 7-8 ante/L/F (top file).

R 4.X.47 — 4.X.47 — 6.X.47 — 7.X.47 — Addl Secy — Fin

Top A. 5'

pl dec. fin. notes on p. 18 and.
The proposals in this file have been noted
on in the top file.

27.1.68

27.1.68

Sub: Procurement - Paddy and rice - S. Kanara Dt. - Penalty levied for late deliveries - Utilisation of the amount - Proposals.

CRO 30055-A/67

Ref: From Sri B. Jinaraja Hegde, Advocate, Mangalore, Petition, dt 16/3/67.
From the Board of Revenue (CS), Ref 52674-A1/67-3, dt 28/6/67

With ref. to the letter from Sri Jinaraja Hegde at pp. 1-3 cr, please see the proposals of the Collector of S. Kanara and the Board at pp. 5-8 cr. The facts of the case briefly as follows.

With a view to speed up procurement in the S. Kanara Dt. the Collector of the Dt. was authorized to fix and notify dates within which the producers will have to deliver their surplus stocks and to impose penalties in respect of the stocks which were not delivered within the dates fixed. The penalty consisted of a cut in the price paid to the producers for the stocks delivered by them after the fixed dates. As a result of these cuts imposed in the prices paid to producers, an amount of Rs. 62,683/- has accrued to the Govt. during the fasli year 1966-67. This sum has been claimed by the South Kanara Central Co-op. Wholesale Stores, which is the sole procuring agent for the district, to re-imburse the Stores for the loss caused on account of transport charges of rice and paddy in the district. The proposals in this connection are dealt with separately in the top file.

It is now reported that the penalties levied during the year 1945-46 have amounted to Rs. 1,23,457-8-0, and those in 1946-47 (upto the end of February 47) are likely to amount to Rs. 38,368/-. It is also estimated that as a result of the levy of the penalties, the total savings to the credit of the Govt. during the years 1945-46, and 1946-47 will amount to about Rs. 2,50,000/-.

The Dr. Food Committee of the S. Kanara Dr. has passed a resolution that the amount should be utilized for the benefit of the Districts alone and that it should be allotted for the purposes specified at A on p. 5 cr. The Collector of the Dr. supports the resolution of the Dr. Committee and requests that permission might be accorded for the utilization of the amount for the purposes specified. For the reasons stated in para 3 of its ref. the Board has also recommended the proposals. H.C. p. 5 cr. p. 5 cr.

In this connection, attention is invited to the minutes of H.M. Food on p. 1 cr and also the minutes of H.M. Food and H.M. (R.H.) on p. 13 nf of the file where it has already been suggested that the amounts should be spent on some public utility concerns.

Secr. Deptt. is concerned with the first two of the proposals specified at A on p. 5 cr on which the amount is proposed to be spent and the E&RH Deptt. with the third. These Deptts. may therefore be requested to say whether there are any schemes M

bearing on these proposals under consideration in those depts. on which the amount can be spent advantageously.

The file may therefore be sent to D.V.S. E.P.H. and Fin. Depts. for remarks.

14/7/47

X If there are no schemes the proposals of the collr. which are recommended by the Board may be agreed to

15/7/47

68121

16/7/47

17.7.47

Dy. No. 30055A/47-1

18.7.47

E.P.H.

Fin.

Dy. P.

Views of Food Dept. from page 1 above may be perused. Also the recommendations of the Secy. Food Dept. at 'M' on p 16 NF of Cop ... may be read. The proposal file has been sent to this Dept. for suggestion as to which of the Schemes on which the diffr. amount outstanding against underpayments due to late transportation of rice in procurement ... for P. to the years 1945-46 and 1946-47 can be diverted.

So far as I Sec. is concerned this Utility Scheme coming within the Scope of Items (1) and (2) of A on p. 5 C.F. mentioned in the Collector, S. Kanara.

This A III 8

E

I.J.

28/7/47

This Dept. may suggest that the D.V.S may be consulted with reference to item (2) of A on p. 5 C.F. Pub (P&D) may also see the Post-war scheme for the starting of ... farms in each district is dealt with therein

7/8/47

Dy 29/7/47

Dy 30.7.47

Item (1) at A on p.5 c.f. At present

there is a comprehensive Scheme for the multiplication and distribution of improved seeds of paddy etc functioning in all the districts. The improved paddy seed is sold to ryots by the Agrl. Deptt. on a subsidised basis by excluding in the sale price overhead charges upto 12½% of the cost of seeds and the entire establishment charges. The subsidy is being met by the Govt. & the L. of I. on a 50:50 basis. The proposal in this file is to utilise a sum of Rs 25,000/- from "Procurement penalty fund" for supply of improved seeds of paddy in South Kanara district. Apparently this benefit will be in addition to the subsidy granted under the existing seed distribution Scheme. The D. A. may be consulted on the proposal. The file may be passed on to Edn & P.H. Dept.

Seed promotion on existing

AS II / AS I / Public (A&D) / Edn & P.H

2.8.47 (illegible) (illegible) (illegible) 7/8/47 (illegible) 8/8/47

Dev. No. 6812/F/47

Public (P & D) Dept. 8/8/47

To: A.S.

Notes from p.1 ante may be perused.

The file has ~~now~~ been sent to this Dept. with reference to item (2) at A on p.5 c.f. viz., starting a cattle breeding centre in the district.

Pub 6861-147-47
9 AUG 1947

Scheme No.69 in the 5 year plan provides for the opening of a livestock farm in ~~x~~ each district (ten farms in 5 years). Each farm is estimated to cost about Rs.300,000 non-recurring and Rs.44,600 recurring. The proposal in this file is to utilise ~~Rxx~~ a sum of Rs.75,000 for starting a cattle breeding station in the South Kanara District. In the file relating to the revision of the 5 year plan it has been suggested that the scheme may be

bb12-137 (F)
Rmp2-7 (E)
So far as this Deptt is concerned
A on p.5 c.f.

proceeded....

proceeded with slowly, curtailing the expenditure to about a third. The D.V.S. has not submitted any proposals for the establishment of a Livestock Farm in the South Kanara District. It is doubtful whether South Kanara District will be included in the first quinquennium, as it has already been suggested to give priority to Kurnool, Bellary and Nellore.

The D.V.S. has also submitted a separate scheme called the Village Livestock Improvement Scheme for the production of improved breeds of cattle and the question of adopting this scheme in the place of priority scheme No.16 (Livestock production-Target for improvement) is under consideration in this Dept. The scheme involves the opening of 24 centres at the rate of one centre for each District. It is estimated that the expenditure for the first three years for each centre would be Rs.30,000. It seems possible that the amount shown against item 2 may be utilised towards the starting of such a centre in the district or an additional centre if the scheme submitted by the D.V.S. is approved by Govt.

As suggested by Devt., Food Deptt. may be requested to consult the D.V.S. in the matter.

12.8.47 / 12.8.47

13.8.47

Pub-A.O.6881-P&E II/47-1
14.8.47

ASST. SECRETARY TO GOVERNMENT
14 AUG 1947
66225
PUBLIC HEALTH DEPT.

The file has been sent to this Department for remarks with reference to M on pages 2-ante. There are at present no proposal in this department to open a Tuberculosis Sanatorium in the South Kanara District. In connection with certain other proposals, the S.G. has reported that a separate Sanatorium for Malabar and South Kanara Districts would be necessary as tuberculosis is very

rampant in Malabar and as the existing Sanatorium at Perumdurai will not be able to cope with the no of cases coming for treatment from the Worst Cholera area. He has also remarked that this new proposal may be considered after the proposals contemplated under the post war schemes for the health requirements are implemented. With these remarks the Case may be returned to the Food Dept.

Leo 25/8/47

JRK 25.8.47

29.8.47.

JS.

If there is money common for this from an independent source, I do not see why we should delay consideration to the proposal in general.

31/8/47

Food.

EDH no 6(223/47-1 Q2 1.9.47

Food (Medl.)

A.S.

Please see the note of this Deptt. at pp. 1-3 above and the subsequent notes of Dir. Sub (P&D) and E & H Deptt.

2 Dir. and Sub (P&D) Deptts. have both agreed to the proposals made by the Board in items (1) and (2) at A on p. 1 cf and have suggested that the concerned Heads of Deptt. ie., Director of Veterinary Services and D.A. may be consulted E & H Deptt has also agreed to the proposal in item (3) at A on p. 1 cf. Finance may now see the case for remarks.

Food No. 30055-A/47-5 29 9 47.

mas 25/9/47

27/9/47

22/9/47

A.B

It is stated that with a view to accelerate deliveries of paddy and rice on the due dates, the deliveries which were not made within the allotted period were purchased at a lower price in the South Kanara Dt. during the years 1944-5, 1945-6 and 1946-7. The short payments in each of the years amounted as follows:-

(i) 1944-5 ... ... Rs. 67,683
(ii) 1945-6 and 1946-7 (about) ... 2,50,000

2. The savings on account of the short payments in 1944-5 (Rs.67,683) are claimed by the South Kanara Central Co-operative Stores Ltd., Procurement and Distribution Agents as a set-off against the loss (Rs.91,642) said to have been suffered by the Stores in 1944-5 on the transport charges for the movement of stocks within the district. This matter is dealt with in the L-F. For the reasons stated by them in pages 8-9 of L.F. Finance had advised against any such payment and this view was accepted in circulation also.- see page 13 of L-F. The Food department however propose that the matter may be reconsidered and that the savings in question may be given as an ex-gratia grant to the Stores as was done in the case of the T.U.C.S., Madras.-See M. on page 16 of L.F. It is submitted that an exgratia grant of about Rs. 1 lakh was sanctioned to the T.U. C.S. mainly on account of the meritorious services rendered by them during war in maintaining emergency supplies. The case of the South Kanara Cooperative Stores cannot therefore be regarded as analagous to that of the T.U.C.S. as the services rendered by the former relate to ordinary rationing as distinct from war-time distributions maintained by the T.U.C.S. In these circumstances and for the reasons already stated by them on pages 8-9 of L.F. it is for orders whether Finance may adhere to their view that there is no case for allotting

1.A 6.x.47.
7.x.47.

the savings of '44-45 to the South Kanara Stores. ~~This is~~

~~point of the question raised in L. F.~~

3. Item (II) in para 4 on page 7 above:-

It is stated at k on page 9 of that the procedure of short-payments was applied only to the South Kanara Districts and not in the other districts of this Province. But from para 4 of the Board's reference on page 6 of it, however, seems that such payments were also made in other districts and that the Board has instructed the Collectors concerned to credit all such savings to the Government account.

4. It is now proposed that the amounts realised by short-payments in the South Kanara District in '45-46 and '46-47 (i.e. about Rs 1,50,000) may be utilised for the benefit of the District in the manner suggested at A on page 5 of i.e., ~~in~~

(a) Rs. 25,000/- for supply of improved variety of paddy seed to the agriculturists;

(b) Rs. 75,000/- for starting a cattle breeding station in the District and

(c) Rs. 1,50,000/- towards the opening of a Tuberculosis Hospital in the District.

Item (a) above: Please see in this connection the Development Dept's. note on page 4 above. It is proposed to consult the D. A. on the matter on the lines suggested by Devt.

Item (b) above: Here also, the D.V.S. is proposed to be consulted as to how best the amount can be utilised for the improvement of cattle breeding in the District.

Item (c) above: Please see in this connection the remarks of E & P.H. on pages 5-6 above especially those on the margin on page 6 above.

It will be seen from the notes of the respective Depts. that they are in favour of the proposals and the file has now been sent to Finance for their remarks.

5. In the first ~~place~~, it is not clear whether the short payments were made only in the South Kanara District or in ~~some~~ other

districts as well--cf para 4 on page 6 cf. The Food Dept. may be requested to obtain definite information on this point from the Board of Revenue (C.S.) and also the amounts realised in other districts. The question ~~then~~ may then be examined in general, whether the savings realised in the various districts may be utilised for their exclusive benefits of the districts concerned or appropriated by the Govt. as incidental to the State Trading Schemes.

A

With these remarks, the case may be returned to Food for necessary action in regard to A above.

C.S. 6.X.47 C.S. 6.X.47 Addl Secy 6.X.47

I agree that the point at A above shd be clarified. Another point that arises is why the "savings" were under consideration shd be treated as a windfall. Can it be said that in keeping the district supplied with paddy & rice during all these years the Govt. have not had to incur large expenditure either by way of subsidies in selling rice imported from other districts at the price appropriate to this district or by way of expenditure on staff &c? If on the whole the Govt. have lost, the fact that under a particular item the expenditure has not been as large as it might have been under certain other circumstances would not be a justification for ~~appropriating~~ keeping the "savings" ~~for~~ as something for which the district has a special claim. Food may throw light on the point B also.

B

7.X.47 Food

Fm. U.O. 58335 A-B-1
7.10.47

ASSISTANT SECRETARY
FOOD DEPARTMENT

52519

A.S. Food Dept.(A)

Please see the notes of Finance Dept. at pp. 7-9 above.

A on p. 9 above: By virtue of the amendment, issued in G.O.No.533, Food, dy 30/4/47, to ~~the~~ Clause 9 of the Intensive Procurement Order, the Govt. have issued instructions in their Memo no. 28562-A/47-1, dy 27/5/47, that the procedure of payment of reduced prices to producers for foodgrains delivered after due date, fixed and notified by the Collectors, ~~Similar~~ which was followed in S. Kanara Dr. alone before, might be followed in other districts also. The Govt. have also fixed the rates by which the prices should be reduced in other districts. As these orders were issued ~~out~~ on 27/5/47, it is presumed that this procedure ~~to~~ is being followed in other districts only ~~after~~ from 1st June 47, or most probably from the beginning of the fasli year 1357, i.e., 1st July 47. So, it is ~~probable~~ likely that definite information about the amounts saved in other districts may not be available with the Board, and will have to be called for from Collectors.

B on p. 9 above: It is quite likely that the Govt. have ~~upon~~ incurred a large expenditure by way of subsidies on the foodgrains supplied to the South Kanara Dr., or as cost of the staff employed in the Dr. But, definite information regarding the amount spent on the Dr. is not readily available.

It is for orders whether the information on the above points will be called for from the Board

Ky 11/6/47 Fin 11/6/47

We may address the Bd. on both the points A & B. raised by Fin.
Yes; ask Board may
(19/11/47)

A.S.

A draft memo is submitted.

for 22/11/47

27/11/47

27/11

ASSISTANT SECRETARY 19 NOV 1947 FOOD DEPARTMENT

SECRETARY 19 NOV 1947 FOOD DEPARTMENT

Pl. put up the file
mas
19/11/47

H.M.(Food)

Some time back you approved the request that came from the South Kanara District Food Committee for Government sanction to utilise the rice penalty amount (for late deliveries to the Co-operative Stores) - Rs 1.5 lakhs was proposed to be used for a T.B. sanatorium, Rs.75,000/- for a live stock [illegible] and Rs.25,000/- for some other purpose. This proposal was supported by the Collector and public opinion in South [illegible] is also in favour of it. I am told that on account of some difficulty raised by Finance Dept. the sanction of the Govt. has been held up in this matter. No such penalty has probably been levied in any other district. The objects for which the money is proposed to be utilised will be of great help all the people.

A

60706

Leg. Food
Put up the file with those concerned at A.
Let me know whether the matter stands now.
19/11/47

mas
19.11.47
M.(P.H.)

A.S.

Please see minutes H.M. (P.H) and H.M. Food above. The concerned files are put up. The linked file deals with the proposals

for the utilisation of the amounts accrued to the Govt. as a result of the penalties imposed for late-deliveries of foodgrains during the year 1944-45. This amount has been proposed to be paid to the S. Kanara Central Coop. Wholesale Stores to re-imburse the loss incurred by it on account of extra transport charges. This file deals with the proposals for the utilization of the amounts accrued during the years 1945-46 and 46-47. The proposals are stated in para 2 of the Bd.'s ref. at p. 5/c. The Govt. have not yet come to a final decision on both the proposals. In this connection, attention is invited to the note of the Fin. Dept. on pp. 7-9 above. The information called for from the Board with ref. to A and B of the Fin. Dept.'s note on p. 9 above is awaited. The Bd. has been reminded once. mcl

25/11/47

25/11/47

HTM (Food)

27/11

A.S.:

Please see notes from p. 11 above. The information called for from the Board with ref. A and B on p. 9 above, has since been received — vide its report at p. 19 f. The Board has stated that it does not now press its proposals previously made for the utilisation of the amounts accrued to the Govt. on account of penalties on foodgrains delivered after fixed dates

in the S. Kanara Dt., and that they need not be accepted. As the Board does not press its proposal, no further action appears necessary in the matter, and the amount may be ordered to be credited to the Govt. The file may be circulated to H.M. Food and H.M(P.H), for information after perusal by Finance, S.V&H and Devn. Deptts.

1/12/47

4/12/47

S

The following two points have been raised by Finance:-

1. Whether short payments were not made in other districts and if so why S.Kanara should be accorded special treatment, and

2. whether Governement will not be justified in appropriating these collections in view of the fact that they have incurred a large expenditure by subsidising the supply of foodgrains to all the districts including S.Kanara.

So far as the first point is concerned, it is no doubt, true, that short payments have been made in all districts but the system followed in S.Kanara was different from the system adopted in the other districts. In. S.Kanara a date was fixed for the surrender of paddy or rice and any delivery made after that date was automatically penalised, while in the other districts there was no such general order till about the end of May 1947 and only quantities actually requisitioned were subjected to the penalty. The quantities ~~actually~~ so requisitioned should have been negligible (figures are not immediately available) and the amount of penalty collected cannot therefore be appreciable. The statement at p.20 cf. which relates to a period of 5 months from May to September 1947 gives a rough indication as to how the system of short payment was worked in S. Kanara and the other districts. Out of a total amount of Rs. ~~58750~~ 8760 collected from all districts during this period of 5 months, as much as Rs.2564 came from S.Kanara

alone, while the remaining districts put together gave only about Rs.6,000 and odd. This is due to the fact that a different system of penalty was in force in S. Kanara. The other districts will not therefore be justified in claiming the same treatment.

The same reasoning will also hold good in regard to the second point raised by Finance.

6/12/47 Fin/EHP/Secy.

Finance(Accts.B.)Department.

(Previous Finance notes on pp.7-9 above)

The further correspondence on pp.17-19 C.F. and notes of Food from the bottom of page 12 above may be perused.

Fin.-Sec.-3055-A-47-7 6.12.47 7424 AB

The Board of Revenue (Civil Supplies) does not now recommend the diversion of the amounts accumulated as a result of short payments for the delivery of paddy, rice ~~etc.~~ in the South Kanara District either towards ~~the~~ loss sustained by the South Kanara Central Co-operative Stores or for the special benefit of the South Kanara Dt. as previously suggested at 'N' on p. 8 above.

It may be stated that South Kanara is a deficit district and if any special measures were adopted in that district to accelerate procurement, it was done solely with a view to avoid a break down of rationing in the interests of the people. As against a small saving of about Rs. 3.18 lakhs referred to in this file, Government should have spent lakhs and lakhs of rupees for the import and distribution at concessional rates of food grains in the South Kanara District. It is also observed that short payments for late deliveries were introduced in other Districts at a later date. There may be some differences of detail in this respect between the South Kanara District & the other districts, but the broad principle is the same in the sense that such short payments wherever imposed were mainly intended to speed up deliveries. Any discrimination shown in favour of the South Kanara District may create a

a sense of grievance in the provinces of other Districts who may also ask for a similar treatment ~~which it may not be possible to refuse~~. As already stated, the savings accruing from such short payments are nothing compared to the huge amounts spent by the Government on subsidie transport etc. for the distribution of food grains in the deficit districts including South Kanara and the appropriation by the Government ~~and~~ of these small savings cannot reasonably be objected to.

The Board has stated that the stocks of grain acquired under the Defence of India rules during the period of war, were also paid for at rates lower than those adopted for supplies under voluntary contracts. If the Government agree to the present proposal to spend the ~~saxi~~ savings resulting from short payments on late deliverie for the benefit of a particular District in which they are realised, the question of allotting in a ~~saxix~~ simila way the short payments made in connection with the stocks acquired under the Defence of India Rules cannot reasonably be resisted if the concerned Districts press for it. In view of these complications and of the fact mentioned at 'A' above, Finance may ~~perhaps~~ again advise suggest that the accumulated savings ~~from~~ the South Kanara District may be ~~appropriated by~~ credited to the Government as is done in the case of other districts.

Draft letter for Mr. Bell's reply on the 19th Nov. item is on con. for fixing up the penalties.

C.S.

M/

9-12-47

9.12.47

C.S. 10/12/47

Agri Engg/

As the Board itself has withdrawn its recommendation on the point raised by me at p.9 above being prior to it, the amount being [illegible] maybe credited to Govt. This need not prevent any scheme intended to benefit the district being considered on their merits & with reference to the general financial position of the Govt.

10.12.47 E.P.S.

C

SECRETARY TO GOVERNMENT
9 7834
12 DEC 1947
PUBLIC HEALTH DEPT.

Fin Dept No 74242A04
11-12-47

12/12

(Previous notes of ... Department are at pages 5 & 6 ante)

The notes of Food & Finance Departments at pages 13-15 ante may be perused and the file returned to Dev.

9.12.47 JS 19/12/47

Dev. 12-011 E/47

Dev.

(15/12/47)

Development Dept. E

To AS

(Previous notes of this Dept & P&D are at the bottom of p. 3 and on pp. 4-5 above)

The notes of the Food and Finance Departments on pp 10–15 above may be perused and the file returned to Food Dept.

31/12/47 8/1/48 9/1/48 10/1/48

P&D

FOOD DEPARTMENT

Food Dept

Dev. No 10 127014 E 13-1-

To A's.

Summarising Note. 2383

With a view to speed up procurement and accelerate deliveries of paddy and rice, the Collector of South Kanara made short payments of Rs.1/- less per Mura of rice and annas 8 per Mura of paddy in respect of deliveries made by the ryots after the due dates specified by the Collr. during the years 1944-45, 1945-46 and 1946-47. The short payments during these years amounted as follows:--

1. 1944-45 — Rs.67,683
2. 1945-46 & 1946-47 Rs.2,50,000

pages 1 and ...

shown in favour of S.Kanara district may create a sense of grievance in the other districts, that the savings accruing from such shortpayments are nothing compared to the huge amounts spent by Government on subsidies, transport etc. for the distribution of foodgrains in the deficit districts and that Government agree to the present proposal to spend the savings resulting from short payments on late deliveries for the benefit of a particular district in which they are realised, the question of allotting in a similar way the shortpayments made in connection with the stocks acquired under the Defence of India Rules cannot be rejected, if the districts pressed for it. In these circumstances and as the Board itself has withdrawn its original recommendations, Finance Department suggested that as recommended by the Board, the amount accumulated in S.Kanara district may be credited to the Government. They have also pointed out in this connection, that this need not prevent any schemes intended to benefit the districts, being considered on their merits, and with reference to the general financial position of the Government.

The point for consideration in this file is:--

(1) whether, as recommended by the Board and Finance, the amounts accrued as a result of short payments namely, Rs. 2,50,000 will be credited to Government, or,

(2) whether this Department will press for the acceptance of the original proposals viz. (a) for alloting the sum of Rs. 67,683 during 44-45 to the South Kanara Stores to compensate the loss incurred by them on transport charges; and

(b) for the utilisation of Rs. 2,50,000 (savings for 45-46 and 46-47) on items of public utility enumarated at "A" on p. 5 c.f.

If alternative (1) is accepted, the case may be circulated to H.M. (Food) and H.M. (P H.) for information.

P.T.O.

If alternative (2) is accepted orders may be obtained in circulation to H.M. (Food) H.M. (P.H.) and H.M. (Finance).

27.1.48

In the circumstances stated by him, I may accept alternative (1) may be accepted. may 2/2/48

As observed by him, as a matter of principle, any ameliorative scheme [illegible] necessary for the benefit of the [illegible] may be worked out, in consultation with Finance and Food Departments.

Sd/- 28/1/48

may 2/2/48.

I see the issues raised by HM (Food) HM (P.H) HM (Fin)

Under the circumstances the only fair thing to do is to credit the sum of 2½ lakhs to the Govt.

2/2/48

I regret that the salient points in support of the proposal to utilise the rice penalty amount collected in South Kanara district for measures of public utility in that district have totally been ignored in the above discussions. They are --

(1) The penalty levied in S.Kanara district was Re.1/- per mura of rice and As.8/- per mura of paddy which is double the amount of penalty of As.8/- per maund of rice and As.6/- per maund of paddy levied in other districts.

(2) Penalty at the above high rate was levied in S.Kanara since the inception of procurement in that district in 1944 whereas this penalty was levied in other districts only from May 1947 and that too at the reduced rate of As.8/- per maund of rice and As.6/- per maund of paddy. The Board reports that short payment on account of late deliveries of paddy and rice by producers was not made in other districts in the previous years.

(3) The amount proposed to be diverted for items of public utility in S.Kanara relates to the savings for 1945-46 and 1946-47 whereas the amounts of penalty collected in other districts which have been credited to the general revenues pertain to the period from May 1947 onwards.

(4) As stated at 'X' on pp.13-14 ante the system followed in S.Kanara was different which has resulted in a saving of such a large amount of penalty in that district.

(5) Even during the 5 months viz. May to Sept. 1947 for

which figures have been furnished by the Board, the penalty collected in S.Kanara alone is Rs.2,564/- while the total amount collected in all the other districts during the period is only Rs.6,196/-. This shows that the penalty was not strictly imposed in the other districts as it was done in S.Kanara.

(6) As regards the point raised by Finance that Govt. have incurred expenditure in the supply of foodgrains, it should be remembered that the amount spent in S.Kanara on this account is not more than what has been spent in any other district especially because the Food Secy. has pointed out in another file recently that S.Kanara is a self-sufficient district.

All the above facts show, without the least doubt, that the case of S.Kanara is quite different from that of the other districts which calls for a special treatment. I have no objection to crediting to the general revenues the amount of penalty collected in S.Kanara after May 1947 as it has been done in the case of the other districts. But there is no ground at all for following the same procedure in the case of the penalty amount collected in 1945-46 and 1946-47 when such penalty was levied only in S.Kanara. The request of the District Food Committee, S.Kanara is just and proper and should be complied with without any further delay. H.M.(Food) may please see again. (This may be changed to blue as there has already been considerable delay.)

4/2/48

5/2/48

H.M. (Food)

H.M. (Rev.)

I want him to know what finance has to say about this. The file may be sent to me again with note of the finance.

6/2/48

To A.S

The case may be sent to Finance w.r.t. the minute of H.M. (Food) at the bottom of p.21 ante.

Fin Fmno 3000/S-A47-8 dtd 4/S.M. 9.2.48

Finance(Accts.B)Dept. 7899

(Finance last noted on pp.14-15 above)

The summarising note from the bottom of p.16 above and H.Ms' Minutes on pp.20-21 above may be perused.

With a view to accelerate the procurement drive in South Kanara District, the Board of Revenue appears to have ordered in January 1945 that full price should not be paid for the grain delivered to the Government or their procuring agents after the due dates fixed for such delivery. The following amounts accrued on account of these short payments during 1944-45 to 1946-7 and are still held in deposit without being credited to the Government.

i) 1944-5 Rs.67,683 'N' on p7 above.
ii) 1945-6 & 1946-7 Rs.2,50,000

Item(i) above: This amount was claimed by the South Kanara wholesale Co-operative Stores as a set-off against the loss (Rs.91,642) said to have been incurred by the Stores in 1944-45., on the transport charges for the movement of stocks within the district. It was previously decided in circulation that there was no case for the payment of this amount to the South Kanara Stores--See minutes on p.13 N.F. of L.F. below. The Food Department pressed for a re-consideration of these orders on p.16 N.F. of L.F. below. See also 'K' on p.19 above. No definite orders have now been passed in circulation on this point. If the original decision of H.Ms is to stand, the stores will not get anything and the entire amount of viz. Rs.67,683 will have to be credited to the Government account. Food may, however

K. on p7 above

'N' on p7 above

take definite orders on this point.

Item (ii) above:- The District Food Committee, South Kanara, recommended that the amounts collected by way of short payments in 1945-6 and 1946-7 (about Rs.2,50,000) should be utilised for the exclusive benefit of South Kanara District in the manner suggested at 'N' on p.17 above. Finance did not however agree to this proposal for the reasons extracted at 'X' on pp.18-19 above. The file has now been sent to Finance for furthe remarks with reference to the minutes of H.M.(P.H.) on pp.20-21 above. It is respectfully submitted that the view taken by Finance has been to the effect that when lakhs and lakhs of rupees have been spent by the Govt. in connection with the imports and distribution of food-grains to meet the food scarcity in the Province they can reasonably expect that any amount realised in certai areas by way of penalties, levied to speed up deliveries should, along with other sources of revenue, be credited to their general account, just as all expenditure in those areas is met from it. The expenditure in a particular area is not correlated to the revenue derived from it or vice versa for administrative purposes. It may be that the Board ordered the levy of a higher penalty from an earlier date in the case of South Kanara District in order to accelerate procurement of food-grains mainly in the interests of that district. And consequently the amount collected in South Kanara exceeded the amounts realised in other districts by levy of a smaller penalty from a later date. But the point for consideration is whether the penalties collected in a particular district should be ear-marked for its exclusive benefits having regard to the broad principle mentioned at 'K' above.

The Board has also brought to the notice of the Government that similar penalties were levied in 1944 and subsequent years in connection with the procurement of food grains under the Defence of India Rules and the amounts so collected were ordered to be credited to

to the Government. No information is available as to the particular districts and the exact amount collected from them. As large quantities of food grains were procured under the Defence of India Rules considerable amounts should have been collected by way of penalty in connection with the acquisition. And it was considered by Finance that if the present proposal of ear-marking the penalty ~~of~~ amount collected in South Kanara District for the sole benefit of the people of that District is accepted similar requests if any, ~~f~~from the concerned districts for the utilisation of the amounts realised from them under the Defence of India Rules for their sole benefit cannot equitably be refused. And as a matter of fact requests if any for a similar expenditure in the districts in which penalties for late deliveries of food grains are now being levied in the same manner as in South Kanara cannot also be rejected ~~in principle~~ when once such allotment is ~~agreed to in case of~~ accepted in principle for the South Kanara Dt. It is, however, for the Government to decide whether the South Kanara District deserves any special consideration in this matter.

10-2-48 10.2.48 10.2.48 Asst Secy

I do not think that we need go as far as the general principle referred to in K above & to come to the conclusion that the present proposal should be negatived. Confining ourselves to the problem of food I think that the Food dept. will agree that keeping the population fed during the last few years has been dealt with as a single provincial problem. For instance in a heavily deficit district we did not charge to the people anything corresponding to the actual cost involved in maintaining supplies to the district, but we only charged a price corresponding to what it would have been if supplies had come from the normal pre-war sources. Similarly we did not allow the heavily surplus districts to derive the full advantage of their position, but required stocks to be sold to Govt at specified prices.

That being so I do not think that the fact that in a particular district the [illegible] may not have spent as much on civil supplies as in other districts or the circumstance that in that district certain control measures may have been administered more [illegible] or for a longer period than in other districts can be urged as a reason for special treatment to that district. So far as funds relating to food administration are concerned there would be no end to the kinds of special claims that could be advanced if we started enquiring whether we would not have spent more on certain food transactions in a district if a procedure different from the one that was actually adopted had been followed. This is a provincial problem & there should be question of working out a balance sheet for each district or for any particular district. This means adhere to the views that any Schemes for the benefit of S. Kanara district be considered only on their own merits without to the general financial position of the Province That the funds referred to in this file should be treated as a "windfall" for which the district has some sort of a special claim.

11.2.48. Food.

ASSISTANT SECRETARY
11 FEB 1948
FOOD DEPARTMENT

Fin 20 78[illegible]
11-2-48

7012 A1/48

Food(A)Dept

With reference to the minutes of H.E.(Food) [illegible] on pp.21 ante, Finance notes from pp.22 ante may be [illegible].

The summarizing note at pp.16-20 ante briefly sets out the position in this case. The proposals in the file are:-

1) whether the rice penalty amount of Rs.67,[illegible]

and that it should be credited to Government for the reasons stated at 'A' in pp.24-25 ante. The case is submitted for orders in circulation.

B

13.2.48

13/2/48

S

16/2/48

A.S.

File submitted as ordered above

20.2.48

20/2/48

"AA" at p. 26 N.F may be approved and the amount credited to Government.

B. The arguments advanced by Fin against diverting the amount for special purposes in S. Kanara district are not unreasonable.

28/2/48

HM (Food)
HM (P.H)
HM (Fin)

P.T.O.

PRIVATE.

A.B.SHETTY, M.L.A.,
Minister for Public
Health & Medicine.

GOVERNMENT OF MADRAS

Fort St. George,
6th March 1948.

My dear Dr.Rajan,

I have pointed out on pages 20-21 of the note of the accompanying file, relating to the utilisation of the amount realised in South Kanara District by the levy of penalty on late deliveries of rice and paddy, the reasons why South Kanara stands on a different footing from the other districts in this matter. Finance have dealt with the desirability of having a uniform policy of crediting to general revenues the income derived from rice penalty. They have not discussed or pointed out that the circumstances under which and the rates at which penalty was levied in that district were quite different from those obtaining in other districts. While in other districts the ceiling prices of rice and paddy were reduced by As.8/- and As.6/- per maund respectively in the case of compulsory acquisition only, in South Kanara all the rice and paddy delivered after certain dates fixed by the Collector were subjected to a penalty double that levied in other districts. That is why such large sums have been realised in that district as penalty which makes the whole difference between South Kanara and the other districts. Finance seem to have lost sight of this important fact and their presumption that a higher penalty from an earlier date in South Kanara was levied in the interests of that district is rather amusing. I adhere to my view that

the large amount of penalty collected in South Kanara should be utilised for the purposes suggested by the District Food Committee and that by any stretch of imagination the case of that district cannot be brought in a line with that of the other districts in this matter.

The M.L.As. and leading persons of South Kanara have spoken to you in this matter more than once. I have spoken to Sri Gopala Reddi and he is in complete agreement with me over this matter. I would, therefore, request you to kindly ponder over the matter and agree to sanction this just request of the people of South Kanara. If you desire that I should put down my opinion first in the file I shall gladly do so on receiving the file back from you.

Yours sincerely,

sincerely

The Hon'ble Dr.T.S.S.Rajan, M.L.C.,
Minister for Food,
Fort St. George.

I have received this letter from Mr. T.B. Shetty. This may go to the H.R. for his opinion. I shall intervene the Premier about this

28/3/52

RP

I have discussed the matter with the Premier and he does not accept the arguments of Mr. A.B.Shetty in this matter. He is also certain that such claims if once allowed would bring in any amount of consequent difficulties and embarrassment to the Government. Therefore I do not see any way ~~in~~ but to credit the sum to the Government.

1/4

2/4/48

May be circulated to H M (O.H) and H M (Fin).

2/4/48

2/4/48

I should like to have the following information -- H M (P.H)

1. Rates of penalty levied in each district for late deliveries of rice & paddy H M (Fin).
2. The dates from which they were collected and
3. The amounts realised in each district.

30/4

A.S.

Please see the minutes of H.M.(O.H.) above. With reg. to items 1 and 2 of the above minutes, ~~it is~~ ~~attention is invited to this information~~ ~~is already available in the file~~ Please ~~See~~ paras 1 and 2 of the Bd.'s report at p. 19 of, and the previous notes ~~and note at~~ on p. 10 above, ~~at~~ X on p. 13 ~~above~~ ~~and in minute of H.M.(P.H.) on page~~ above. The information is however furnished below briefly.

Item (1) :- In all other districts except S. Kanara, the rate of cut imposed is 1.2 % on prices paid for late deliveries of foodgrains is Re.0-6-0 per md. of paddy

(1)

and millets and Re. 0-8-0 per md. of rice.

Item (2). ~~This cut is being regularly imposed~~ The procedure of imposing the cuts is being regularly followed in the other dts. only from May 1947. In the previous years in these dts. only stocks requisitioned under D.O.P. Rules, which were then in force, used to be paid at reduced rates, the rate of reduction being the same as that mentioned above..

~~It is submd. that H.M.(P.H.)~~ is already aware of this information ~~vide this minute at p. 20 above~~.

Item (3): The Board has already stated that information regarding the amount saved by paying reduced prices for stocks acquired under the D.O.P. Rules in previous years is not readily available. As regards the amounts saved in each dt. by imposing cuts on prices paid for bulk deliveries ~~the~~ after May 1947, the Board has furnished the information for the months from May to September 1947. It is for orders whether similar information for later months may be called for from the Board. Subject to orders a draft D.M. is put up for sig.

Attention is also invited to the latest ref. from the Collr. of S. Kanara at pp. 25-26 ante. The Collr. may be informed that the matter is still under the consideration of the Govt. For orders.

put up 7/5/48

put up 7/5/48

7.5.48

X on p.32 above : A draft is submitted for approval.

11/5/48

12/5/48

11.5.48

To see

Please see the minutes of H.M. (P.H.) at 'D' on p.31 above.

The information asked for by H.M. is furnished below:

Item (1): Rate of penalty.

District	Rate per Imperial Maund.	Remarks.
(1) All districts except South Kanara & Malabar.	Rice - Re. 0 8 0 Paddy & millets Re. 0 6 0	Procurement done under Intensive Procurement Order which contains provisions for imposition of penalty for late deliveries.
(2) South Kanara	Rice 1 0 0 and Ragi Paddy 0 8 0	-do-
(3) Malabar Dt.	No levy in force	Procurement is done under a different scheme under the Madras Foodgrains Procurement Order, in which no provision is made for the purpose.

Item (2): Date of collection.

District.	Date from which collected.	Remarks.
South Kanara	November 1944	
Surplus districts	November 1944	From November 1944 to September 1946 under Defence of India Rules. From May 1947 onwards under Intensive Procurement Order.
Malabar	No levy	Reasons explained in Item (1) above.
All other districts	May 1947	

Item (3): Amounts collected.

District.	Amount.	Remarks.
South Kanara	Rs. 2,81,632-15-0	Fasli year 1944-45 -- Rs.67683/- Fasli year 1945-46 ... Rs.127058-15-0 1-7-46 - 24-7-47 ..... 51643-8-0 Aug.47 - March 1948 35247-8-0
Surplus districts. (East Godavari, West Godavari, Kistna, Guntur, Nellore & Tanjore)	From November 1944 to September 1946 No information available.	
	From May 1947 - March 1948 Rs. 18,222-13-0	Vide statement at p. 33 c.f.
Malabar	No amount collected.	Reasons stated in item (1) above.
Other districts	Vide Statement at p.33 c.f.	

The case may now be circulated to H.M. (P.H.)

4.6.48

5/6/48

H.M. (P.H.)

No information has been furnished regarding the penalty amount collected in other districts from Nov. 1944 up to April 1947. The only information given is with regard to the surplus districts of E.Godavari, W.Godavari, Kistna, Guntur, Nellore and Tanjore which shows that from May 1947 to March 1948 Rs.18,222-13-0 only has been collected in those districts. The amount collected in South Kanara from Fasli 1944-45 to March 1948 amounts to a large sum of Rs.281,632-15-0. From this it appears that a disproportionately large amount has been collected from this district and the rates of penalty also were higher than what they were in other districts. The people of the district naturally feel that this amount which has been collected from them should be allowed to be utilised for some public purpose in South Kanara itself and should not be appropriated to the public revenues of the Province.

The District Food Committee has passed a resolution to the effect that this amount should be utilised for the benefit of South Kanara for the following purposes:-

1. Rs.25,000/- for supply of improved varieties of paddy seeds for agriculturists;
2. Rs.75,000/- for starting a cattle breeding station in the district, and
3. Rs.150,000/- towards the opening of a T.B. hospital in the district.

S

The Collector has supported the resolution of the Food Committee and the Board of Rev. endorsed the Collector's recommendation in the first instance. H.M.(Food) also at one stage gave his approval for the amount being utilised for the public purposes mentioned. ~~I would request~~ H.M.(Food) and H.Pr. ~~to~~ may please reconsider the matter and do justice to the demands made by the people of the district. If there is no agreement on this matter, this may be put up for consideration at a meeting of Ministers.

M

9/4/48

A.S.

Please see the minute of H.M. (B.H.) on p. 34 above. With ref. to B on p. 34 above, it is noted that all the relevant information available in office has been furnished in a tabular form on p. 33 above. It has been stated that no amounts were collected in other districts, except Sarpalem dt., prior to May 1947, as no penalties were then levied, and that in the case of Sarpalem dt., though stocks acquired under the D.S.G. Rules in previous years were paid for at reduced rates, the information regarding amounts collected in this way was not known

The file may now be circulated to H.M. Food and H.Pr. for orders with ref. to the minute of H.M. (B.H.) at M on p. 34 above

K
11/6/48

11/6/48

11/6/48
S

Z | The food Comittee recommendations seem reasonable — H.M. (Food) H. Pr.

15/6/48

16/6/48

A.S.I. X | Send information Sl. wise how much amount in each Sl. collected

Pl. call for information urgently

G.P.L 18/6/

18/6/48

18/6/48

A.S.

Please see minutes of
A.Gr. on p. 35 above and seek orders.
A draft O.M is noted for approval.

19/6/48 20.6.48 22/6/48 mos 24/6/48 S

[Issued as Memo No 30055. A/47-12 Food 0/22.6.48]
[From the Govt of Madras (CS) Mg No. 57674 U II/47 1503
dt 10.8.48, 23.9.48 & 16.X.48

Summarising Note. → Lo orders taken. Vide G.O. 314 R&E dt. 4.2.49

The file relates to proposals for regarding the utilisation of the accumulated amounts realised by the imposition of a cut on payment made in S.Kanara district for late deliveries of paddy and rice (Re 1-0-0 per mura of rice and annas 8 per mura of paddy) during the years 1944-45, 1945-46 and 1946-47. The facts of the case have already been set out in the summarising Notes at pp.16-20 above. The proposals are:-

1) whether the rice penalty amount of Rs.67,683 collected in S.Kanara district during 1944-45, may be given to the S.Kanara Central Co-operative Stores as a set off against the loss of Rs.91,642/- incurred by the Stores on the transport charges for the movement of stocks within the district and

2) whether the rice penalty amount of Rs.2,50,000/- estimated collected during the periods 1945-46 and 1946-47 should be utilised for the exclusive benefit of South Kanara district for the following purposes as recommended by the S.Kanara district Food Committee at

in a resolution passed on 26-2-47.

1. Rs.25,000 for supply of improved variety of paddy seed for agriculturists.
2. Rs.75,000 for starting a cattle-breeding station in the district.
3. Rs.1,50,000 for opening a Tuberculosis Hospital in the district.

The Collector of South Kanara recommended the acceptance of the above proposals and the Board endorsed the recommendation.

Proposal (1) above:-

It was originally decided in circulation that there was no case for the payment of the amount of Rs.67,683 to the South Kanara Stores - Vide Minutes at p. 13 N.F. of the linked file (C.No.30312 A.I/46). This Department pressed for a reconsideration of the Orders in circulation and suggested that the amount in question might be given as an ex-gratia grant to the Stores as was done in the case of the T.U.C.S - Vide p. 16 N.F. of the linked file. The Finance Department pointed out that the case of the South Kanara Co-operative Stores could not be treated as being analogous to that of the T.U.C.S. as the services rendered by the former related to ordinary rationing as distinct from war-time distribution maintained by the T.U.C.S. They therefore did not agree to the proposal for allotting the saving to the stores. Subsequently the Board itself altered its recommendation and suggested that the amount might be credited to the Government. In the circumstances definite orders were requested in circulation on this point on 2-2-48 and again on 23-2-48 but no orders have been passed on this point till now.

Proposal (2) above:-

For the reasons stated at pp. 20-21 above H.M. (P.H) passed for the acceptance of the proposal. Finance however adhered to their original view that there was no case for the allotment of the accumulated amount exclusively for the benefit of S.Kanara district and that it should be credited to

Government for the re sons s[illegible] at 'A' on [illegible] above. The case was therefore circulated for orders on 20-2-48. In the meantime another note was receiv[illegible] by M.M.(Food) from M.M.(F[illegible] proposing for the acceptance of the pro osal - Vide [illegible] above. M.M.(Food) after discussing the matter with F.Pr. admitted that M.Pr. did not accept the arguments of M.M.(F.S.) on the ground that such claims if once allowed would bring in any amount of enforcement difficulties and embarrassment to the Government and that therefore he did not see any way except to credit the sum to the Government - Vide 'C' at p. 31 above. The case was thereupon circulated to M.M.(P.S.) who in his minute at 'D' on p. 1 above called for information on certain points, which was furnished by this Department - Vide p. 33 above. M.M.(P.S.) in his minute at p. 34 above called for a further clarification of certain points which was noted on by this Department and the case was circulated to M.M.(Food) and M.Pr. again for orders. M.M.(Food) minuted that the proposal to utilise the amounts collected in 1944-45 and 1946-47 for the purposes specified at 'X' on p. 37 ante might be accepted. But M.Pr. in his minute at 'E' on p. 36 above called for information regarding the amounts collected in the various districts by levy of a cut in the prices for late deliveries and on requisitioned stocks of paddy and rice.

The information called for by M.Pr. is furnished in detailed statements put up at Flag 'Z' below. An abstract of the statement showing the rates of levy and the total amounts in each of the district is put up at (D). It will be seen from the statement that the collected in South Kanara district alone from 1944 to the end (total amount collected of December 1947 is Rs.2,80,479-10-6 as against the total amount of Rs. ~~98,208-5-1~~ collected in the other districts. The entire amount of Rs. 98,208-5-1 has all been credited to the Government. As against ~~returned~~ the former amount of Rs.2,80,479-10-6, a sum of Rs.37,094-3-6 collected during 25-7-47 to 31-12-47 has been credited to the Government and the balance of Rs.2,43,385-7-0 is held in deposit in with the stores as per the details given below pending a decision on the question raised in this file.

		Rs. as. ps.
1. Fasli year 1944-45	...	67,683--0--0
2. Fasli year 1945-46	...	1,27,058-15--0
3. From 1-7-46 to 24-7-47	...	51,643--8--0

Item (1) above represents the amount proposed to be credited to the Government instead of allotting it to the Stores to compensate the loss on account of transport charges. Items (2) & (3) totalling to Rs.1,78,702-7-0 represent the actual amount collected in 1945-46 and 1946-47 (upto 24-7-47) and available for the purposes specified at 'X' on p.37 ante ~~in Rs.1,78,702-7-0 only~~ against Rs.2,50,000 originally estimated to be collected by the Collector. Please see also para 2 of the Collector's letter at p ~~29~~ 23 ante.

The case may now be submitted for definite orders in circulation to H.M.(Food) and H.Pr. on the following proposals.

1) whether the rice penalty amount of Rs.67,683/- collected in South Kanara district during 1944-45 may be credited to the Government instead of allotting it to the Stores to compensate the loss incurred by them on transport charges.

2) Whether the accumulated late penalty amount of Rs.1,78,702-7-0 collected in South Kanara district during the years 1945-46 and 1946-47 should be credited to the Government or whether it should be utilised for the purposes referred to at 'X' on p. 37 above as pressed by H.M.(P.H).

H.M.(P.H) has suggested that if the proposals is not accepted in circulation the case maybe put up for consideration at a meeting of Ministers.

25/2/49

25.2.49

26/2/49

H.M. (Food)

H.Pr.

~~The procedure has been adopted in other districts~~

P.T.O

Since the precedent of taking these surplus amounts back to the Govt. account has been followed in all the other ~~dixtxmx~~ districts we cannot in fairness adopt a different method in South Kanara. In view of the fact that the food subsidy and expenditure on food account are growing up enormously with regard to our budget provisions we cannot earmark this amount from S.Kanara for any other purpose. Personally I feel it is only just and proper that the Govt. should take back this amount to the ~~xx~~ credit of Government and the proposal to make it a fund for Tuberculosis relief in S. Kanara cannot be accepted. Besides the fund of that nature has to be collected from donors on ~~that~~/account only and not by taking away profits made by the sale of food grains which really belongs to the Food Administration and in the interests of general administration it must go back to Government. ~~xxxxxxxxx~~ It may be some compensation to the heavy losses which the Govt. have got to bear on the Food account.

O PR
21/3

To J.S.

The case may be circulated to H.M.(P.H.) for formal opinion of H.P. alone.

21.3.49

22/3/49

24/3/49

May be put up for consideration at HM (P.H.) a meeting of the ministers.

23/3

A.J.

The file may be circulated to H.Pr. Chief and H.M.(Fin) for orders w.r.t. the minute of H.M.(P.H.) at 'M' above. (vide extract of instructions at flag)

H.M.(Food) 23/3/49

23.3.49

as flag (v)

25/3/49

25/3/49

HM. (Food)
HM. (Fin)
HPr.

26/3

R.G.9
27.3

A.S.

Please see the orders in circulation above. A similar proposal in regarding the ~~distribution~~ utilisation of the amounts realised by the O.C.C. societies in Malabar at the imposition of a cut in prices for public utility purposes has been raised in a separate file. It has been suggested in that file that the proposal therein as well as the proposals relating to S. Kanara etc. dealt with in this file may be placed before the Cabinet together for orders. ~~The file referred to has been sent to Dev. and Fin and will be placed separately for orders. This is being done~~ This may lie over till orders are passed in that file.

3/5/49

3/5/49

3/5/49

S

If both the files are put up together, there is no point in keeping this open till orders are passed on the other file.

4/5/49

If orders have not been passed on the other file, that should be placed before the Cabinet for consideration. This file may lie over till then.

4/5/49.

Secy's orders at 'M' on P.41 above.

The proposal relating to S. Kanara dealt with in this file & the one relating to Malabar dealt with in a separate file were placed before the Cabinet at the meeting held on 22.6.49. The Note submitted to the Cabinet is at PP 59-65 CF. The case of S. Kanara is set out in para 2 of that Note at PP 59-63 CF.

2/- The Cabinet's decision is for perusal at P.67 CF. The order in respect of item (2) is being dealt with in a separate file. So far as this file is concerned, it will be seen from the order in respect of item (1) at P.67 CF that the Govt have decided that one half of the total amount of Rs 2,46,385 (Rs 67,683 + 1,78,702-7-0) that is, Rs 1,23,192-11-6 should be utilised for the construction of a T.B. Sanatorium in S. Kanara dt. It follows automatically that the remaining half viz:- Rs 1,23,192-11-6 should be credited to the Govt. For orders.

BB 30/6/49

KS 30/6/49

Subject to orders, a draft order embodying the Cabinet's decision is submitted below for approval. After issue of the order, the file may be sent to E & P.H. for taking relevant extracts from the file for necessary further action w.r.t. para 2 of the order in so far as it relates to the proposals called for from the Collr of S. Kanara re. the utilisation of the amt of Rs 1,23,192-11-6 for the construction of a T.B. Sanatorium in the dt.

The case may be sent to E & P.H & Finance Depts for acceptance of the draft order.

Food 200-30055/A/47-22

30.6.49

KS 29/6/49

VS 29.6.49

WD 30/6/49

KS 30/6/49

CAPH / Fin KS

EHG

Please see Food Dept Notification.

DEPUTY SECRETARY TO GOVERNMENT
50343
2 JUL 1949
EDUCATION & PUBLIC HEALTH DEPT.

2. The Construction of a Tuberculosis Sanatorium at Mudisheddi (South Kanara Dist). is sponsored by the South Kanara branch of the Madras Provincial Welfare Fund. The Capital Cost of the Sanatorium is estimated at Rs 3.90,000. The idea is that the Assn. has to meet the entire Capital Cost and the Govt. meet the recurring expenditure. The Assn. has a sum of Rs 90000 readily available. Loans often to the tune of Rs 50000 are also said to be available. It hopes to collect the balance from donations in the district. The South Kanara Central Stores may be asked to pay the Assn. the sum of Rs 1,23,192-11-6, which in turn will be passed on to Govt. for the Construction of the Sanatorium. A sentence may be added to para 2 as indicated in pencil. The last para of the draft may also be omitted.

N/

M/

2. The file may be passed onto Fin.

JKK
4.7.49

6/7/49

With reference to 'M' above, please see the note in the top file, but this need not stop further action on this file. 'N' above is to be in this Deptt. The case may be passed on to Fin

7/7

11/7/49

Fin/

12/7

Finance (P.W.R.) Dept.

[Fin. last drawn on pp. 22-25 above]

Please see item (1) of the Cabinet's decisions

P.T.O.

Fin. Ltr. No. No. 50348-G1/49-1

ASSISTANT SECRETARY TO GOVERNMENT
46045
10 JUL 1949
FINANCE DEPARTMENT

on p.67 C.F. and the notes from p.42 above.

The immediate action to be taken is to take over the entire sum of Rs 2,46,385-7-0 from the South Kanara Dt. Central Co-operative Stores and credit it to Govt. as the Committee is no more entitled to keep it. Food may be requested to ask the Collector to take necessary action at once and see that the amount is credited to Govt. under '85-A. Capital Outlay on Provincial schemes of State Trading - a. Grain supply schemes - B.4. Deduct-Receipts and Recoveries on Capital Account'.

2. As regards payment of grant to the South Kanara Branch of the Madras Provincial Welfare Fund equal to one half of the above amount, i.e. Rs 1,23,192-12-0, it is submitted that the question will arise only if it is decided that the work will be executed by that non-official body. The question whether the work is to be executed by the P.W.D. or by the non-official body is under separate consideration and P.W. have suggested there that the work should be entrusted to P.W.D., as it will ensure proper utilisation of Government's money of about Rs 1.23 lakhs and conformity of the new building to P.W.D. standards. If P.W.D. is to execute the work, it will not be necessary to hand over the grant to the South Kanara Branch of the Provincial Welfare Fund. Instead, all the donation that the non-official body has collected should be required to be credited to Govt, as P.W.D. will be the spending authority. Whichever agency is utilised for execution, the ownership of the property will rest in Govt. absolutely.

3. In view of the above remarks, the pencil addition suggested by E.&.P.H. to para 2 of the draft order is unnecessary as also the next two sentences of the draft. All these may be omitted and in their place a new sentence may be added to the effect that instructions regarding the agency to be employed for the execution of the work and the method of utilising the grant will be issued separately by E.&.P.H.

Department. Another sentence may be added to the draft with reference to para 1 above. (on p. 44)

20.7.49

Thro' Exp.C.

18.7.49

18/7/49

20/7/49

Fin. No. 46045-PWR/49-1
21.7.49.

Food

Food (A)

A.S.

The Notes of E & P.H & Fin Depts at PP 43-45 above may be perused. W.r.t. the remarks of Fin in para 3 of their Notes at PP 44-45 above a revised draft order is subd below for appl— Vide Draft I below.

2/- A copy of the G.O. may be sent to E & P.H. Depts, together with the copy of the Note for Cabinet at X in orig, an extract of the Notes & Orders from P. 42 above & a copy of the Cabinet's Order at P. 67 CF. Subject to orders, a draft No. Note is subd — Draft II below for further action w.r.t. para 2

Food No 30055-A/47-24

— 27.7.49

3/- ~~The file may be closed, after issue~~. E.P.H. and Fin. may see the draft for acceptance

25/7/49

27/7/49

27/7/49

25.7.49

27/7/49

27/7/49

[Previous notes of this dept at P 43 ante].

The further notes from P 43 above and the drafts below may be perused and the file

4½

passed on to Fin.

IK
F.7.49.

[illegible]
4/7/49

finance -

29538

ASSISTANT SECRETARY TO GOVERNMENT
4138/Pw
29 JUL 1949
FINANCE DEPARTMENT

in F
Secretariat
30/7/49
at 11-15 A.M
[illegible]
30/7/49

Fin. (P.W.R.).

(Previous fin. note on pp. 43-45 c. F.)

29675

(revised) 1/1
The draft order may be ~~accepted~~ perused and the case returned to Food.

Kkm
29.7.49.
[illegible]
29/7/49

C8k
29.7.49 Food

Fin. U.O. No. 49381 PWR/49-1
29.7.49

1 :

A.S.

The draft order & the draft U.O. Note

below may now issue.

[illegible]
30/7/49

[illegible]
30/7/49

[illegible]
30.7.49

[Issued vide U.O M.S. No. 675 Food dt 30.7.49]

[- do - Note No. 30055 H/47-25 Food dt 30.7.49]

7705-A/49 Note file Food & Agrl. D.

Sub:- C.S. Paddy & Rice - S. Kanara. Penalty collected for late deliveries - Refund of the sum held in deposit from the Stores - Repat.

Ref:- 1) G.O. M.S. No. 678 Food Dt 30.7.49
2) From the Bd of Rev(CC) Mg. No. 56994-67-34 CS Dt 21.11.49.

A.S.

In para 1 of G.O. MS. No. 678 Food Dt 30.7.49 the collr of S. Kanara was directed to recover the late penalty amts aggregating to Rs 2,46,385-7-0 held in deposit by the S. Kanara central co-operative Stores and credit the amount to the Govt.

The Bd's repat with enclr at Pl-3 CF may be perused. It is seen from para 3 of the letter from the S.K.C.C.W. Stores at P.3 CF that out of the sum of Rs ~~67683~~ 2,46,385-7-0, the sum of Rs 67683-0-0 relating to the year 1944-45 has already been adjusted by them. Out of the balance of Rs 1,78,702-7-0 the stores has remitted Rs 1,00,000 & has requested time to remit the balance of Rs 78,702-0-0. The Bd is, however, taking action to see that this balance is also remitted by the stores immediately — Vide 'M' at P.1-CF. In the Ors, no action seems necessary for the present. The papers may be lodged & added to the papers at (2).

3/12/49

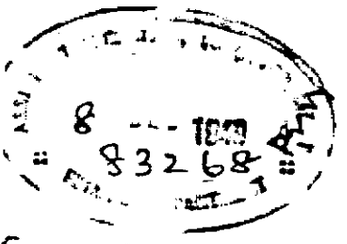
Finance may see.

w.d. para 2 of the Secy's letter

on p. 3 of and the cable report at ~~I~~ on p. 14, attention is invited to the note at ~~S~~ ~~at 5-5 bags~~ on pp. 59-60 of f.o. 67 of 30.7.49 setting out the reasons for rejecting the claim of the Shire for the reimbursement of loss incurred by the Store in 1948 on the transport of foodgrains.

In view of the reply given by the Sd. on p. 14 of no further cable seems necessary until the matter may be

A.12.'49



Food Agent 300 5 7 0 0
Aug.

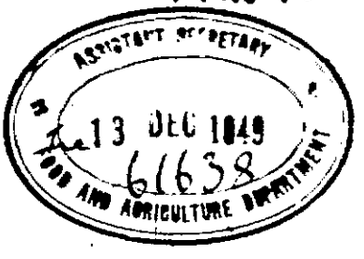
Fin (P.W.B.)

May be perused and returned to Food.

Fin 13.12.49

Fin (P.W.B.)

Fin no 83268 P.W.-1



A.S.

The papers may now be lodged & added to the case at (Z).

14/12/49

14.12.49